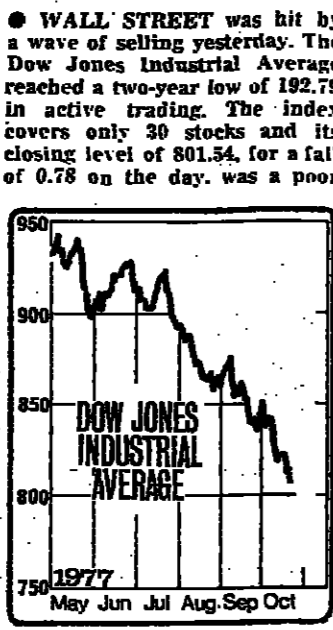




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NEWS SUMMARY

GENERAL Biko's brain was injured' ... WALL STREET was hit by a wave of selling yesterday.



Launda for talks ... Mr. Kruger refused to comment on the findings.

Assassination ... Killed Arab Emirates Deputy Foreign Minister.

Power blackout ... throughout Britain and readily Circus, London.

Roop cuts hint ... Roy Mason, Northern Ireland secretary.

Schleyer buried ... German President Walter Kiel.

Party rift threat ... dia's opposition Congress Party making strenuous efforts.

Briefly ... writer Mandoub Salem of Syria has dropped to ministers.

Share code for directors ... A CODE of conduct for directors dealing in the shares.

Table with columns: RISES, FALLS, and various stock market data.

Michael Edwardes appointed new Leyland chairman

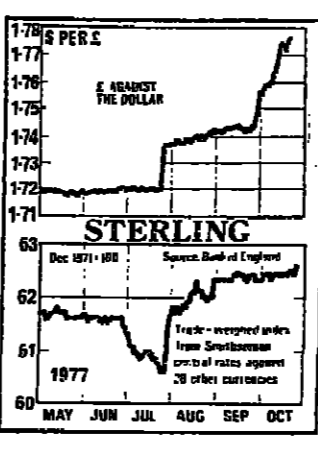
Mr. Michael Edwardes, 47-year-old chairman and chief executive of the Chloride battery group, was yesterday named as the new full-time chairman of British Leyland.

Tide turning for China says Vice-Premier

AFTER two years' stagnation, agriculture saying that "fairly good harvests were gathered in many regions and the yield for cotton and vegetable oil crops is better than last year."

Callaghan hint on mergers

LARGE SCALE corporate mergers which fall to bring any real benefits to the companies concerned or to the nation.



Pound at 13-month peak

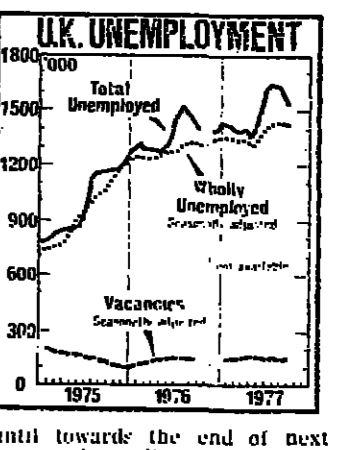
STERLING yesterday rose to its highest level for more than 13 months against not only the dollar but also, more significantly, against other major currencies.

Pressures

The general expectation is that only quite minor relaxations in exchange controls will be announced in today's economic statement.

Unemployed total falls to 1.43m.

UNEMPLOYMENT stopped rising in the past month. But it is too early yet to say whether this is merely a temporary check or a more fundamental reversal of the sharply rising trend of the summer.



The news is, however, clearly welcome to the Government on the eve of this afternoon's mini-Budget statement by Mr. Denis Healey, the Chancellor of the Exchequer.

Jobless in EEC reach record 6m.

UNEMPLOYMENT in the Community has reached 6m for the first time, according to the EEC Commission said today.

SAFEGUARD A £6,000+ DECISION! SPEND 9p. Advertisement for Climax handling equipment.

Coventry Climax advertisement with contact information and a list of features.

Wexford Festival

Hérodiade by ELIZABETH FORBES

Massenet's Hérodiade, as completely overshadowed now by Strauss's Salome as Nicolai's Die Meistersinger...



Bernadette Greedy, Alvaro Malta, Eliene Hannan and Malcolm Donnelly

Television

British Drama Lives! by CHRIS DUNKLEY

Discovering people who disagree with your ideas about television is of course a commonplace. Ask a friend on the train...



Tom Conti in 'The Norman Conquests' (Thames)

strike, one of the most significant events of the decade for Britain but one that has barely been aired on television outside a handful of academic programmes.

And Brian Clark's story, There's No Place, about a very young couple creating their own home in a derelict office may not have paraded the polemical punch of Cathy Come Home...

The Entertainment Guide is on Page 17

It seems to me, on the contrary, that after a number of years during which costume drama, period adaptations, and inconsequential contemporary fancies have been heavily predominant...

Gibson's progress from pure documentary to drama documentary and now to pure drama director may, I believe, tell us a lot about middle class Britain...

Covent Garden

Triple Bill

After an evening at the Opera man and Wayne Eagling. Casti-oue to hymn. Park's absolute musicality and the quick, easy jatic, it is proper that these...

Festival Hall

The Voyevode

by RONALD CRICHTON

Ricardo Muti, admirably persists in sailing his Festival Hall programmes with music that deserves to be better known.

made many converts through the eloquent reading it received at the end of the programme. Schumann's scoring is faded to sound thick after Chaikovsky...

Elizabeth Hall

Saints and Sinners

The London Lassus Ensemble all the bright ideas in this concert of juxtaposing some of their ponymous composer's sacred and secular works by devising a celebration for All Saints Day...

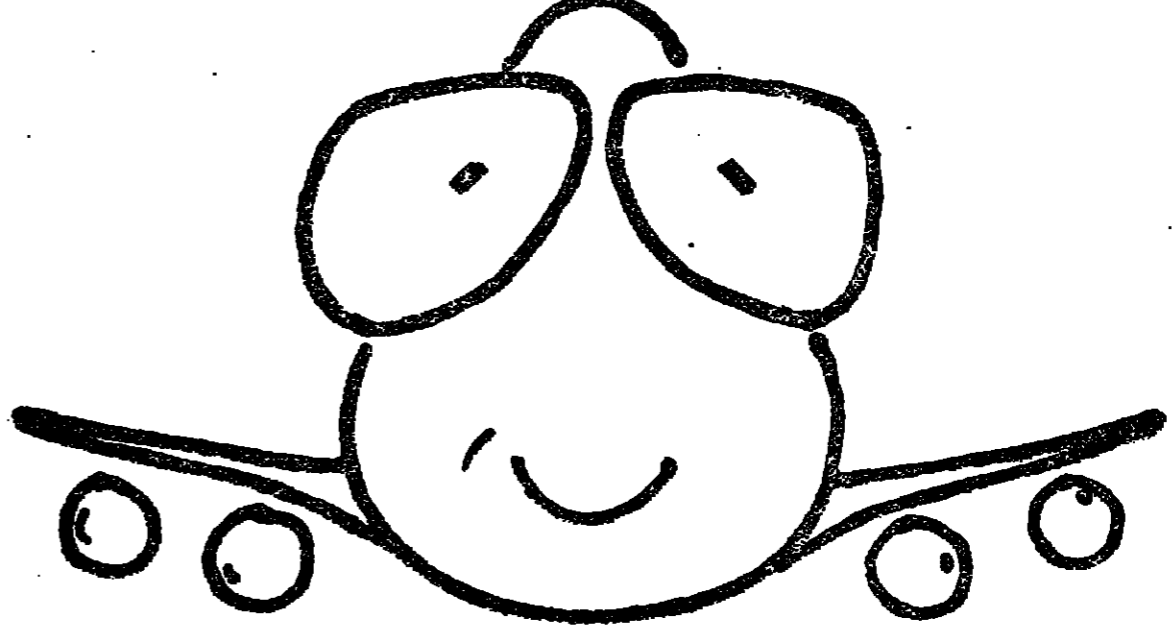
Assorted Pops

by ANTHONY THORNCROFT

Popular music has a broad enough back to carry, in two nights, London concerts by such mixed talents as Leo Sayer, Donna Summer and Yes, artists that have nothing in common...

Yes at Wembley. The enthusiasm of the crowd, the pretention of the music, and the undoubted musical skill of the band makes you feel that there must be something badly wrong with you if you are not carried at least as far away as Middle Earth by all those soaring guitar chords...

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EUROPEAN NEWS

Leaders of Spanish parties sign social contract

BY ROBERT GRAHAM

MADRID, Oct. 25.

GOVERNMENT AND opposition leaders today signed the social contract, agreed over the weekend, which imposes a 20 per cent ceiling on wage increases for 1978. After a brief ceremony, the Prime Minister, Sr. Adolfo Suarez, said that he regarded the agreement as an essential element in moves to consolidate democracy in Spain.

The agreement, which took two weeks to elaborate, underlines the desire of both the Communist and Socialist opposition parties to co-operate with the centrist Government of Sr. Suarez to tackle the many problems confronting the economy. Yesterday, representatives of trades unions and employers were briefed by senior Government officials on the details of the pact. The employers have so far given the pact a cool reception.

This is because they felt excluded by not being consulted during the negotiations, and more fundamentally because they felt that the concession to the government by opposition parties over wage restraint involved a tougher attitude towards management and to certain questionable management practices.

The trades unions have not adopted a unified response. The most clear-cut endorsement has come from the Communist-controlled Confederation of Workers' Commissions. The Socialist-

oriented UGT, on the other hand, has been more reserved. From outright opposition while the negotiations were going on, it has swung to grudging acceptance.

Annual Spanish production of wine is about 35m. hectolitres a year. According to Press reports from the wine-growing areas, overall production could be as low as 20m. hlrs. This dramatic short-fall has been caused by a colder than usual spring and heavy rain during the summer.

The vagaries of the climate are also expected to affect the quality of the wine this year. In the Rioja region, considered to produce some of the finest Spanish wines, the harvest is some 40 per cent below that of the average year. Normally, the region produces about 800,000 hlrs. But, this year, the harvest has been so bad that as few as 500,000 hlrs. will be produced.

As a result, Rioja wine is now being traded at Ptas 40 per litre, instead of Ptas 14 in months ago. As yet, there is no indication as to how lower production will affect both the price and level of Spanish wine exports.

Sweden reduces income tax

By William Dullforce

STOCKHOLM, Oct. 25

THE GOVERNMENT today announced income tax cuts for almost all Swedish wage and salary earners in 1978. The cuts are intended to smooth the way for next year's wage negotiations and to persuade the unions to accept only moderate increases.

At the same time, the Economy Minister, Mr. Gösta Bohman, declared that there was no scope for any increase in private consumption next year. Many Swedes would experience a drop in living standards. Priority had to go to preventing any further deterioration in the payments deficit.

The deficit for 1977 is now expected to reach Kr.16.5bn. (£1.94bn.), as Swedish exports have continued to lose market shares. Mr. Bohman said it would not be possible to restore the trade balance by 1980, a target set by the previous Social Democrat Government.

The 1978 income tax rates submitted to Parliament today by the Budget Minister, Mr. Ingemar Sundström, provide for reductions varying from Kr.1,200 to Kr.2,500 (£140-£305) on incomes in the Kr.50,000-Kr.200,000 (£5,900-£23,500) bracket. They vary from just under 2 per cent for the top incomes to 1.8 per cent for incomes between Kr.35,000 and Kr.65,000. The cuts will cost the Treasury Kr.3.3bn. next year.

International accord against terrorism urged by Scheel

BY JONATHAN CARR

WEST GERMAN President Walter Scheel today called on world leaders speedily to conclude an international convention to help erase the scourge of terrorism.

Unless such action was taken, Herr Scheel warned, terrorism would spread across all frontiers. The world community had too long sought excuses for the inexcusable.

He was speaking at a service in Stuttgart's St. Eberhard church in memory of the industrialist, Dr. Hanns-Martin Schleyer, murdered last week by terrorists. Present were the major political leaders, including Chancellor Helmut Schmidt, and key representatives of industry, banking and the trade unions.

Simultaneously, workers throughout the country observed a three-minute pause in Dr. Schleyer's memory. Such action had been called for by trade unions and by the federal employers' organisation which Dr. Schleyer had headed.

In Stuttgart itself a public controversy has erupted because the three terrorists who committed suicide in the local Stammheim jail are to be buried in a city cemetery. The decision on the burial was taken by the city's Lord Mayor, Dr. Manfred Roumel. He has maintained it, despite fierce protests, not least within his own Christian Democrat party.

At the same time, the position of the Premier of Baden-Wuerttemberg, Herr Hans Feilbinger, remains in question, following the suicides. Reuter adds: Jailed urban guerrilla Ingard Moeller has decided to try to commit suicide at Stammheim, her lawyer said. She said her client also denied there was any suicide pact between the three guerrilla leaders found dead in the same prison last week.

New Europe troop cut proposal

BRITAIN and West Germany have agreed on a U.S. proposal to put to the Soviet Union an attempt to revive negotiations on troop reductions in central Europe. The New York Times reported yesterday. However, official sources in Washington suggested that, while the proposal was made in the hope of advancing the East-West talks, it did not represent a major departure in Western policy.

The proposal was prepared last month by the U.S., Britain and West Germany and presented to NATO members last week.

The paper said that the proposal did not sacrifice the basic Western objective of requiring the Warsaw Pact to withdraw more troops so that equal numbers of Warsaw and Eastern forces remained. Neither the White House nor the U.S. State Department had any immediate comment on the report. Talks on mutual and balanced force reduction (MBFR) in central Europe started in Vienna in 1973 and have been stalled almost from the start.

OVER THE PAST decade the U.S. had made a number of technical improvements to the stockpile of just under 7,000 tactical nuclear weapons deployed in Europe. The changes have usually received perfunctory approval in NATO's Nuclear Planning Group. An innovation of the significance of the neutron bomb might not have gone through "on the nod," had not the Press in the U.S. and in Europe taken up the issue.

Opinions are sharply divided on whether this is good or bad. But most Nato officials and delegations now concede that President Carter's decision on whether to manufacture the bomb for deployment in Europe could go either way. Some think that a decision delayed well into next year would allow passions aroused by talk of the neutron bomb as "amoral" and the "ultimate capitalist weapon," because it kills people and tends to spare buildings, to subside.

Others think this unlikely, even though Nato is now pushing its own euphemism for the weapon — "the enhanced radiation and reduced blast bomb."

NATO and the neutron bomb

By David Buchan, in Brussels

lead, and that if neither side takes it, there will probably be no neutron bomb. The U.S. and Europe, reasonably, that producing the bomb makes no sense without deploying it; the only place it would be put is in Europe, and therefore European approval is essential. The Europeans argue, equally reasonably, that the final decision is an American one.

Tass, the official Soviet news agency, claimed that at Bar, Mr. Fred Mulder, Minister for Foreign Affairs, was exerting strong pressure on the Atlantic countries to compel them to accept the deployment of such a monstrous weapon.

The grain of truth in this is that Mr. Harold Brown, the U.S. Defence Secretary, did indeed give his colleagues a detailed technical run-down on the neutron bomb—the military case for which almost all of the six European defence ministers present at Bari accepted.

This is basically that the neutron bomb has more radiation, but only one tenth of the heat, blast and fall-out in a standard fission bomb. In particular, heat and blast effects are limited to an area three or four hundred yards in diameter, while the circle of fatal radiation to men is less than one mile in diameter. Damage can also be limited by varying the height at which the neutron bomb is exploded.

All of this, Mr. Brown claimed, makes the neutron bomb significantly "cleaner" and more selective than existing nuclear weapons: it can pinpoint enemy forces without harming friendly forces or civilians.

But publicity has really taken the matter out of the hands of defence ministers and into those of foreign and prime ministers, though the U.S. was not looking for unanimity in the alliance on the issue, nor necessarily approval by a large majority, but that most weight would be given to the views of those countries "in whose territory the weapon would be deployed" or those whose forces use the weapon, as in the case of the British army on the Rhine.

This effectively rules out from the equation the Netherlands, which although voicing objections to the neutron bomb has no intention of "hanging its policy of avoiding any nuclear role, and puts the onus on West Germany," most obviously Britain, Italy, Greece, Turkey and to a lesser extent, Belgium.

The U.S. is wisely no longer pressing for a quick decision. There is no long lead time of research and development needed for the neutron. Its technology exists already, and even if a decision to go ahead with production were made next spring, it could still be deployed in Europe before 1980.

The German reaction is crucial. Most of NATO's Lance missile systems, which will be initially and completely equipped with the neutron bomb, would be on German soil. The row caused by the leads from the Carter administration earlier this year, blamethat the U.S. strategy might be to abandon forward defence in the Federal Republic, may have blown over, but sensitivity about being NATO's battleground is quickly aroused.

The German Defence Minister, Herr Georg Leber, is said to agree that the neutron bomb would strengthen NATO's deterrent capability by making it easier for the German to contemplate using tactical nuclear weapons on German soil. But, German officials stress, Germany would not want to be alone in having neutron bombs on its territory and might also want to negotiate away the bombs in some future disarmament deal.

In addition to the current sensitivity of German public opinion on the issue, there are also more immediate reasons for Mr. Leber's opposition. He is now in Bonn, where he is planned to visit to Bonn, next month.

The British Defence Minister, Mr. Fred Mulder, is said to have been won over by the military arguments for the new bomb. But some NATO officials fear that Dr. David Owen and Mr. James Callaghan may have one doubt on the issue following the former's official reception in Moscow by Mr. Brezhnev.

Both London and Bonn are expected to weigh carefully the side effects of the neutron bomb on arms control talks. The US has already done this—its arms control and disarmament agency (ACDA) report sent to Congress concludes the effect would be "marginally negative." Not being a strategic weapon, the bomb does not yet figure in the SALT talks though it might become an issue if shorter range weapons became the subject of SALT II negotiations. Although Novoye, the Soviet News Agency, earlier this year said that the neutron issue was "an attempt to undermine the basis on which understanding at the Vienna force reduction talks had been founded," this is rejected strongly at NATO headquarters.

NATO has offered to break the Vienna talks logjam by reducing its tactical nuclear weapon stockpile by 1,000. There is no sign yet that the Russians are developing a neutron bomb themselves, though they have some forms of nuclear artillery. To do so, as NATO officials would say, against traditional Russian concentration on "big and dirty weapons." Nor is it considered likely that the Soviet Union would want to make a start on "enhanced radiation" technology merely for the purpose of tactical nuclear weapons.

The U.S. is wisely no longer pressing for a quick decision. There is no long lead time of research and development needed for the neutron. Its technology exists already, and even if a decision to go ahead with production were made next spring, it could still be deployed in Europe before 1980.

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Results of the business survey carried out among managements in the Community

A new monthly pamphlet entitled "Results of the business surveys carried out among heads of enterprises in the Community" is being published by the Commission of the European Communities as from June 1976. This pamphlet, which replaces the four-monthly production "Report of the results of the business surveys carried out among heads of enterprises in the Community," gives complete and detailed results of the harmonised surveys of economic activity carried out among the industries in the Member States, with the exception of Denmark, which does not as yet take part.

The surveys are carried out using questionnaires, which are sent every month to more than 20,000 heads of undertakings deemed representative of all industrial activity in the Community, divided into 22 sections and subsections. The questionnaire deals with the situation regarding order books and stocks of finished products, production, and price prospects, the period of activity, guaranteed by work in hand, production capacity and employment prospects.

The new pamphlet gives detailed results for the last three months of the survey in the form of tables, whilst movements during the last two years are traced by graphs. For reasons of statistical secrecy, only the large aggregates will be published for the moment for the Netherlands. Twice a year it also includes the results of the medium-term surveys of investment in industry.

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This publication is also available on magnetic tapes, updated each month (since 1965): FB10,000.—

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EUROPEAN NEWS

Oil crisis measures agreed by EEC energy ministers

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT LUXEMBOURG, Oct. 25. EEC ENERGY Ministers agreed today on the final elements of a two-stage Community scheme for reducing oil consumption and re-allocating available petroleum in the event of a new supply crisis.

New uranium enrichment technologies unveiled

WEST GERMAN and Dutch nuclear industry executives revealed their latest ideas for uranium enrichment by the gas centrifuge process to potential customers at the inauguration of a 25m enrichment plant at Almelo, the Netherlands, yesterday.

Farm price plan backed

BY DAVID BUCHAN LUXEMBOURG, Oct. 25. THE EEC Commission has no objection to a European Parliament proposal to include 1.3bn. European units of account (E906.7m) special reserve in the 1978 EEC budget to cover next year's farm price increases.

Iceland gets back to work again

BY JAN H. MAGNUSSEN REYKJAVIK, Oct. 25. A TWO-WEEK long strike by civil servants ended in Iceland this morning after very tough negotiations between the Government and the strike leaders.

Left suspicious of Soviet amity for France

BY ROBERT MAUTHNER PARIS, Oct. 25. THE RED carpet treatment given by the Soviet Government to M. Yvon Bourges, the French Defence Minister, who returned last night from an official visit to the USSR, has revived speculation in France that Moscow does not want the Left to win the French general election next spring.

Dutch coalition plan in jeopardy

BY MICHAEL VAN OS THE HAGUE, Oct. 25. WITHIN A few hours of three Dutch political parties reaching an agreement on the formation of a new coalition Government, after negotiations had spluttered on for five months—the compromise was severely jeopardised by the ruling council of the Labour Party voting to reject it.

Hungary's new economic policy

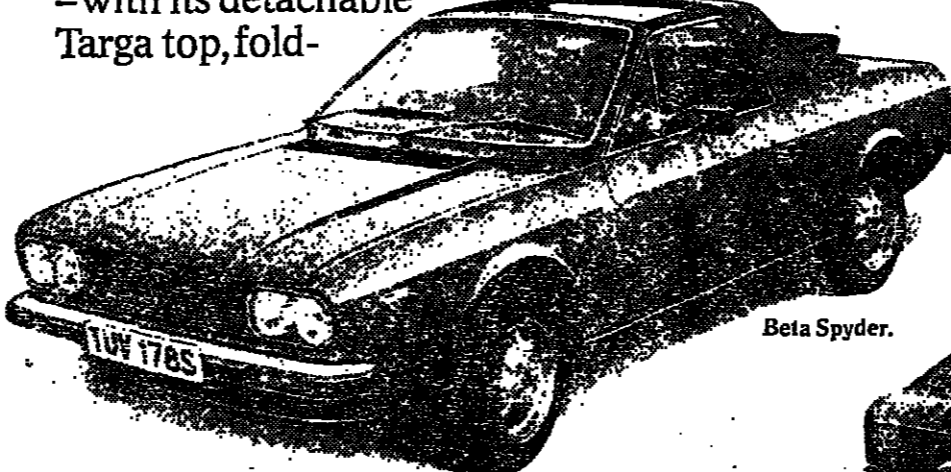
BY PAUL LENDVAI VIENNA, Oct. 25. THE HUNGARIAN Communist Party leadership has just adopted new long-term economic policy guidelines which advocate an accelerated adjustment of the economy to the world markets on the basis of a more realistic price and wage structure.

WHO study says most drugs are 'inessential'

BY DAVID EGI GENEVA, Oct. 25. FEWER THAN 300 medical drugs are considered to be essential out of the many thousand that are available in most industrialised countries, according to an expert committee of the World Health Organisation.

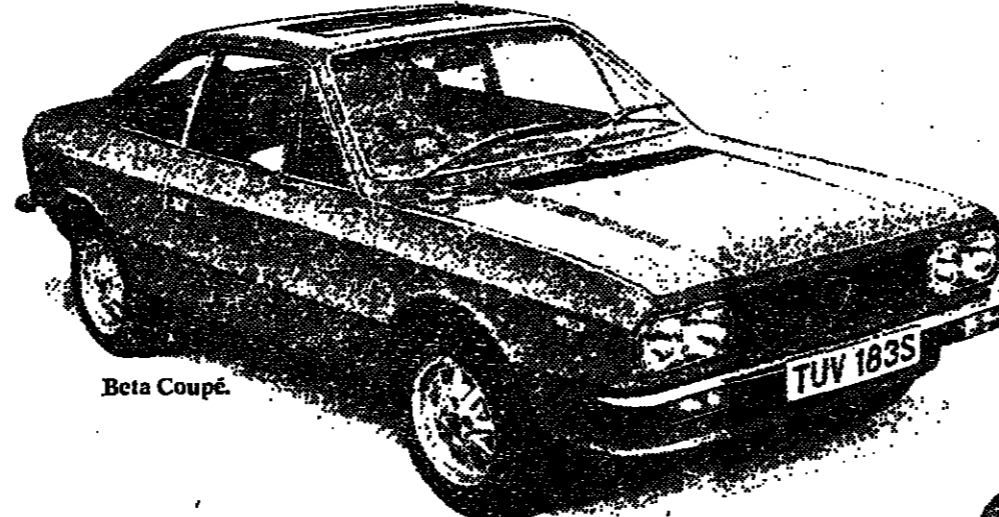
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Beta Spyder.

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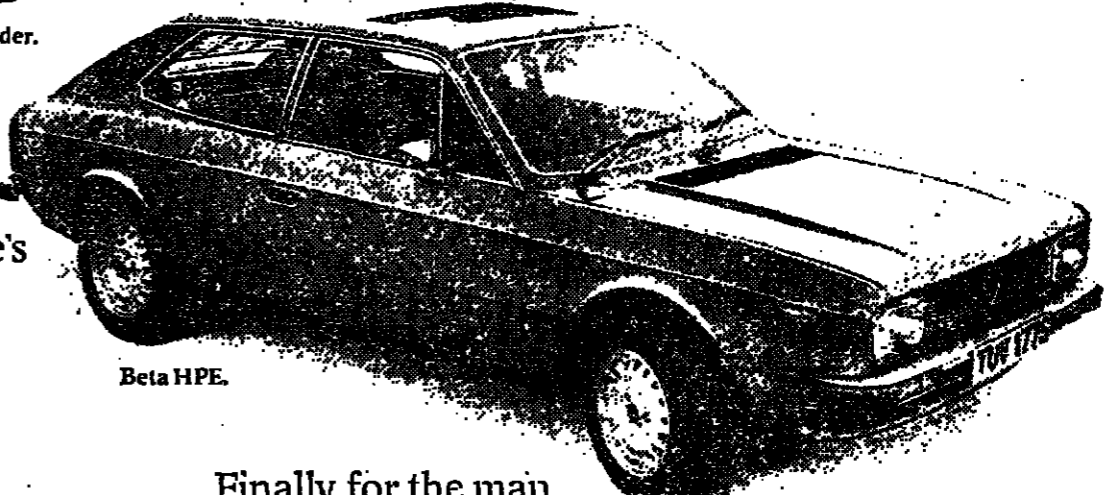


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gearbox, all-round independent suspension, servo-assisted all-round disc braking, fitted carpets and an 18 cu.ft. boot. Lots of comfort. Lots of room. Lots of excitement.

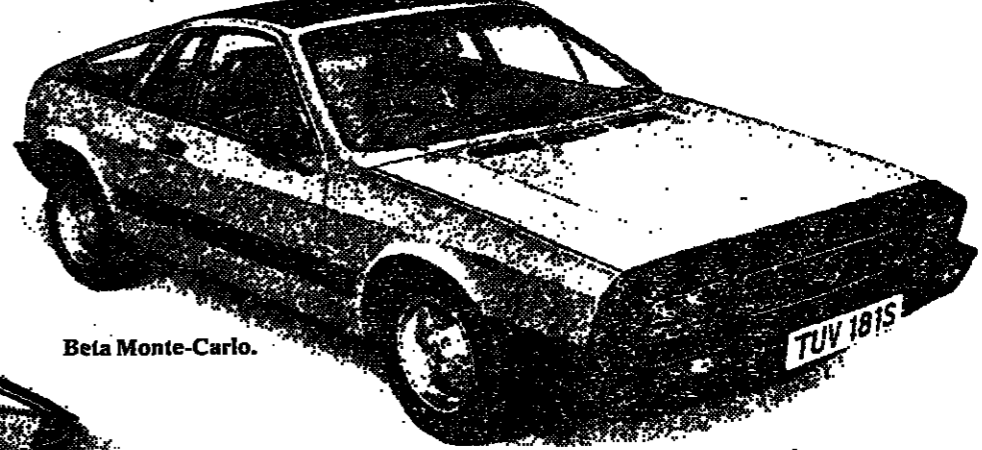
Or, if you prefer an estate car, go for the Lancia Beta HPE (High Performance Estate). It has three doors and up to 42 cubic feet of load space. Plus, in the 2000cc model, 115mph performance, built-in sun roof as well as all the trimmings. There's also a 1600cc model.



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Total consolidated sales for the first nine months of 1977 amounted to Frs. 1,137.1 million as against Frs. 1,011.5 million for the first nine months of 1976, an increase of 12.4%.

ALLOTMENT OF BONUS SHARES TO SHAREHOLDERS

The allotment announced to the Annual General Meeting of May 1977, on the basis of one bonus share for every ten old shares held—bearing effect as from January 1, 1977—has been postponed to January 1978 due to governmental recommendations.

*Prices include VAT (5%); car tax, licence fees, registration, delivery charges (UK mainland) but exclude number plates. Prices from: Beta Saloons - £3,175.38; Beta Coupés - £3,645.36; Beta Spyders - £4,725.29; Beta HPEs - £4,265.30; Beta Monte-Carlo coupés - £5,927.22. Personal Export: If you are eligible to purchase a Lancia free of taxes, contact our Export Department.

OVERSEAS NEWS

Biko post mortem report shows 'extensive brain injury'

BY QUENTIN PEEL

THE POST MORTEM report produced by three leading South African pathologists after the death of Mr Steve Biko, the Black Consciousness leader, in police detention, concludes that he suffered extensive brain injury and acute kidney failure, informed sources indicated here today.

public inquest, or a criminal prosecution as a result of the report. Mr. Kruger indicated in an interview published today that a decision on a "judicial post-mortem inquiry" could be expected within a few days, and he added that the conclusions of the doctors were unanimous.

The mass bannings and detentions carried out last week were widely interpreted in the black community as aimed at heading off the protest likely to result when the post mortem conclusions were published.

In a week-end interview, Mr. Kruger added that he had far received no evidence to show that Mr. Biko had died as a result of a police assault. He said it "might come out" that there had been a struggle to handcuff Mr. Biko, but he hoped that newspapers which had given the impression of assault would be embarrassed when the inquest findings were made.

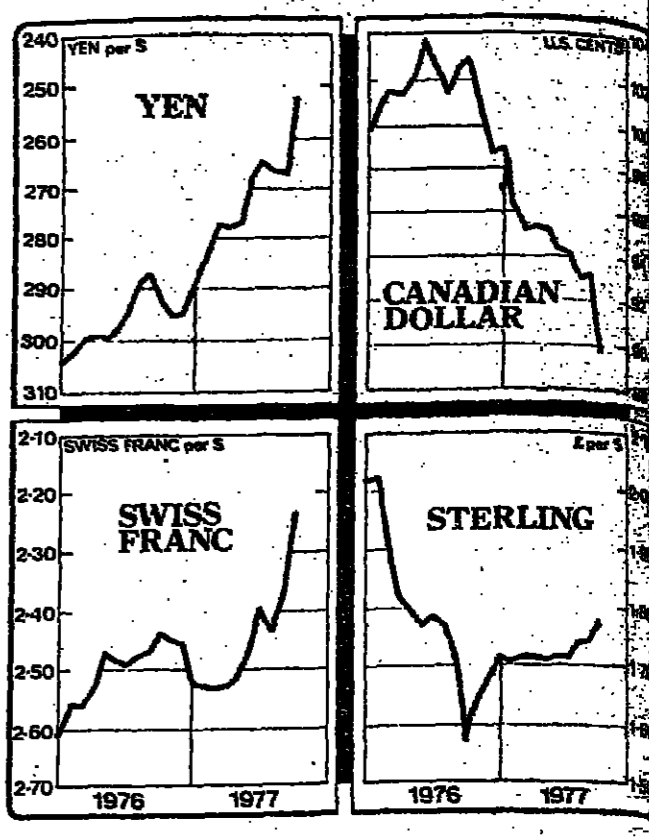
JOHANNESBURG, Oct. 25.

There apparently was also evidence of acute kidney failure. They also reported that there was an injury on the left side of the dead man's chest.

Yen hits new peak despite official intervention policy

BY DOUGLAS RAMSEY

THE YEN hit another post-war peak in Tokyo today, prompting speculation that the Bank of Japan may be unable to contain the dollar's fall to above Y250 if the U.S. currency crashes that psychological barrier on overseas foreign exchange markets.



sees little chance of defending yen on that market. According to one expert, the Bank could "theoretically" ask the Bank of England to buy dollars for yen on the bank's behalf, but it would involve some tricky negotiations and the Bank does not think it would be successful.

IN BRIEF Drive to cut imports

SEVEN major industrial and employers' organisations in South Africa have launched a drive to cut imports to help reduce the lagging economy, our Foreign Staff writes.

UN Assembly asked to ban S. Africa oil supplies

BY OUR OWN CORRESPONDENT

AS THE United Nations Security Council began its second day's debate on South Africa today, the General Assembly, which has been debating Namibia for the past week, was asked to ban oil supplies to South Africa.

Resolutions before the Security Council are currently more moderate than demands being made in the Assembly, although the three African members of the Council have proposed a mandatory ban on the supply of arms and military equipment to South Africa and on co-operation with its Government in the field of nuclear development.

South African government might refuse further co-operation on both issues, if the council approved stern measures in response to the round-up last week of leading black opponents of apartheid and some white sympathisers.

Australian election expected on Dec. 10

By Kenneth Randall

THE AUSTRALIAN cabinet is believed to have endorsed today plans for a general election on December 10, a year ahead of schedule. The proposals were drawn up by the Prime Minister, Mr. Malcolm Fraser, in consultation with senior Ministers and Liberal Party officials during a week-end meeting at Narreen, Mr. Fraser's property in Western Victoria.

OTHER WORLD CURRENCY MOVES

Canadian dollar hits 45-year low

By James Scott

TORONTO, Oct. 25. IN ANOTHER violent downward lurch the Canadian dollar has slid to its lowest level in 45 years in the foreign exchange markets.

Swiss Franc record set

BY JOHN WICKS

ZURICH, Oct. 25. THE SWISS franc reached a new high of Sw.Frs.2282/72 against the dollar in trading today but subsequently weakened to close at Sw.Frs.2270/75.

The decline in the Swiss franc rate during the afternoon was attributed largely to shifts in currency reserves rose Sw.Frs.507.5m. to Sw.Frs.13.1bn. during the week.

Carter says his decision is made

BY JUREK MARTIN

MR. JIMMY CARTER, the U.S. President, said today that he had reached a decision on whether the U.S. would support some form of sanctions against South Africa but declined to reveal what he had concluded.

President had claimed in August that Mr. Vorster had given such an undertaking and repeated his claim to this effect. Yesterday, Mr. Andrew Young, the Ambassador to the United Nations, emerged from a strategy session in the White House with, among others, the President, the Secretary of State and the recently recalled U.S. Ambassador to Pretoria, to say that he personally favoured some form of sanction against South Africa.

This letter, dated October 13, makes it quite clear that Mr. Vorster renounced any attempt to acquire nuclear capability, peaceful or otherwise, and said that there would not be any nuclear explosive testing of any kind in South Africa.

In an American television interview broadcast last Sunday, Mr. Vorster denied making any such promise to Mr. Carter. The

Black miners Page 12

The Hongkong Bank Group has an offshore banking operation in Nassau. This Hongkong and Shanghai Bank branch accepts deposits in U.S. dollars and other principal freely convertible currencies, and participates in offshore and syndicated loans on behalf of non-residents of the Commonwealth of the Bahamas.

They have managed their earlier stand that there would be no resumption of work until there was at least partial cash settlement of their claim. According to employers' organisations, it will be several months before industry returns fully from the effects of the shut-down forced by recent weeks of power rationing. They say that some companies have been forced out of business, taking about 3,000 jobs with them. Production losses because of the strike are estimated at close to \$490m. (\$58m.) and about 500,000 workers have been stood down.

Denmark 'to quit snake'

BY HILARY BARNES

COPENHAGEN, Oct. 25. THERE IS an increasing probability that Denmark and Norway will decide to leave the European currency snake, according to an economic survey published today by Copenhagen Handelsbank, Denmark's largest commercial bank.

consideration will win. It is seen that Denmark will follow the Swedish and Finnish example by leaving the currency snake. The snake has not succeeded in stabilising exchange rates or produced increasingly frequent currency crises for member countries, said the Bank, and it is seen that the whole justification of the Danish-Norwegian membership of export industry, the latter of the snake has weakened.

Gandhi backers' petition threatens Congress split

BY K. K. SHARMA

NEW DELHI, Oct. 25. HECTIC EFFORTS were under way tonight to prevent a split in the opposition Congress Party, which is threatened by supporters of Mrs. Indira Gandhi who today presented a petition for a special session of the All-India Congress Committee to elect a new party president.

Come to Corby where the growing's good.

BY DAVID SATTOR

MOSCOW, Oct. 25. MR. MORARJI DESAI, the Indian Prime Minister, said tonight that the change of government in India has not freed the close relationship between India and the Soviet Union.

Corby advertisement featuring a map of the area and text: 'Come to Corby where the growing's good. If you're looking for a place to re-locate or expand your business, the New Town of Corby has got so much going for you.'

Desai praises Soviet ties

BY DAVID SATTOR

MOSCOW, Oct. 25. MR. MORARJI DESAI, the Indian Prime Minister, said tonight that the change of government in India has not freed the close relationship between India and the Soviet Union.

ON OTHER PAGES

International Company News Australian fertilizer bid Continues leading materials Farming and Raw Materials 26/77 N. Zealand to ban Japanese fish Reforming the EEC beef regime 28

AMERICAN NEWS

President backs more air fares competition

BY OUR OWN CORRESPONDENT WASHINGTON, Oct. 25.

THE CARTER Administration has decided to press for more competition in the airline industry, as embodied in the renewed Bermuda Treaty with Britain, Brussels to Atlanta, having which was concluded this summer.

President Carter has sent a letter to the government departments involved in aviation negotiations — State, Justice, Transportation, and the Civil Aeronautics Board — ordering them to take greater account of the needs of consumers. The new U.S. policy, his letter said, should be "to trade opportunities rather than restrictions."

The Bermuda Treaty is now seen as a perfect example of the new policy.

This new policy is reported to be causing some distress to the countries now engaged in civil aviation talks with the U.S. For example, the agreement under negotiation with Japan would serve as a model for its pending agreement, so far as it implied that there would be limitations on the number of carriers flying certain routes.

However, the new U.S. stance is that competition in the airline business should be increased, rather than controlled, with lower fares the desired end product. Although recent cuts in the cost of transatlantic travel have been welcomed by the administration, they are seen as having been caused by factors outside the scope of the Bermuda agreement, such as the introduction of the Laker Airways Skytrain.

In particular, the U.S. now feels that future agreements should incorporate more liberal attitudes towards charter carriers, so as to enable them to compete on more equitable

Dock strike settlement hopes fade

By Stewart Fleming NEW YORK, Oct. 25.

THE PROSPECTS of an early settlement in the selective strike against container ships on the east coast of the U.S. have receded again with a breakdown in negotiations between the longshoremen's union and the New York Shipping Association, representing employers.

Last week-end, a split in the employers ranks left the New York Shipping Association on its own in attempting to reach a settlement. Employers associations representing the other ports from Maine to Texas withdrew from the discussions in Baltimore, Florida, because of a dispute about the terms under discussion.

It had been hoped that the port of New York employers with the support of 80 major steamship carriers might be able to reach agreement with the union and that other ports would follow suit. But late yesterday, Mr. Wayne Horvitz, a director of the Federal Mediation Service, who has been trying to bring the three-week-old dispute to an end, said that he had reluctantly concluded that the talks were at an impasse.

Mr. Thomas Gleason, president of the International Longshoremen's Association (ILA) who had earlier expressed hopes of a quick settlement, subsequently expressed his disappointment.

The dispute involves drawing up a new three-year wage contract for the 50,000 dockers on the east coast and Gulf coasts of the U.S. The west coast of the U.S. is not affected.

MIDDLE EAST PEACE PLAN

Carter urges end to PLO impasse

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Oct. 25. PRESIDENT Carter today urged Arab and Israeli leaders not to allow what he described as the "procedural" question of Palestinian representation to prevent the reconvening of the Geneva Middle East peace conference.

A statement issued after talks in the White House between Mr. Carter and Prince Saud, the Foreign Minister of Saudi Arabia, had the effect of highlighting the persistent and so far unresolved issue of whether or not the Palestine Liberation Organisation (PLO) should be present at Geneva.

The statement said that the President reaffirmed his determination to help parties to the conflict work out procedures for reconvening the Geneva Middle East settlement could succeed without settling the Palestinian question and because this required the presence of the PLO or its representatives.

Prince Saud had implied in a television interview last Sunday that the Saudi position might allow for some flexibility on the exact composition of any Palestinian delegation. He even recalled that Mr. Begin, the Israeli Prime Minister, had said in Washington this summer that Israel might not look too closely at the credentials of members of the Arab delegations.

But the Prince repeated today what he had said in television and newspaper interviews over the week-end—that the PLO must attend Geneva because no Israeli newspaper, to-day, for example, were full of reports that the U.S. was working on a

Levesque arrives in France

PARIS, Oct. 25.

M. RENE Levesque, the Prime Minister of Quebec, is spending a week resting in France before starting an official visit here on November 2, officials said today.

During his three-day official visit, M. Levesque will have talks with President Valery Giscard d'Estaing and M. Raymond Barre, the French Prime Minister. He will also meet the Foreign Minister.

The visit has been the subject of controversy with the Canadian Federal Government on the grounds that M. Levesque, who leads the separatist Parti Quebecois, is seeking to take the predominantly French-speaking province out of Canada.

Blumenthal reaffirms commitment on aid

BY OUR OWN CORRESPONDENT

AMERICAN aid to Israel will be maintained for an unlimited period in line with the American commitment to work closely with Israel to assist her in reaching her economic goals. Mr. Michael Blumenthal, U.S. Treasury Secretary declared here this afternoon.

Ending a one and a-half day visit, Mr. Blumenthal told a news conference that he thought it likely that peace will be reached in the Middle East within three years, since both sides are more interested in a settlement now than ever before.

Blumenthal reaffirms commitment on aid

BY OUR OWN CORRESPONDENT

Egypt wants peace because of the grave problems facing her economy. Mr. Blumenthal, who visited that country before coming to Israel, said.

His reaffirmation of Washington's commitment to assist Israel has been warmly welcomed here, where it had been feared that a sharp cutback in aid might be announced during periods of emergency.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the

Blumenthal reaffirms commitment on aid

BY OUR OWN CORRESPONDENT

Mr. Blumenthal welcomed the economic measures taken recently by the Begin Government, and particularly the emphasis on encouraging private enterprise. During his talks with Israeli Finance Minister Simcha Ehrlich, he also reaffirmed the U.S. commitment to supply Israel with grains and other basic materials during periods of emergency.

Discussions with the Israeli Finance Minister also covered ways and means of narrowing the wide trade gap between the

Simon leaves newspaper

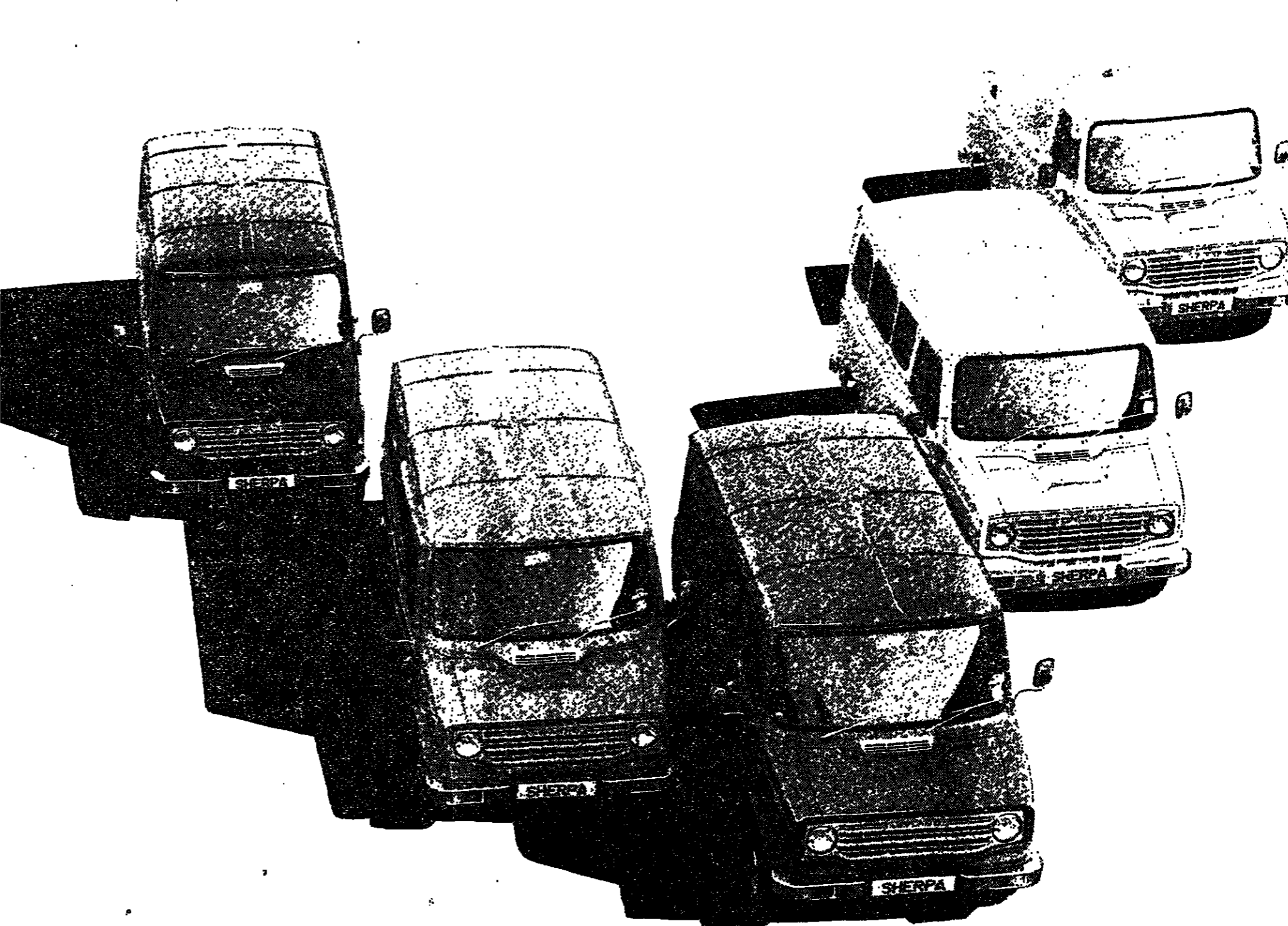
BY JOHN WYLES NEW YORK, Oct. 23.

MR. WILLIAM SIMON, the former U.S. Treasury Secretary, has resigned from the Board of the planned new morning newspaper for New York, The Trib, amid allegations that he was trying to gain control of the paper for "political purposes."

Mr. Leonard Saffir, the publisher, revealed yesterday that Mr. Simon's resignation from the Board had been requested because he had allegedly attempted to gain editorial and financial control of the Trib for political purposes.

The Trib is to be launched as a tabloid on January 9 after an initial investment of at least \$2m. Mr. Saffir said that Mr. Simon owned a "minor percentage" of Trib stock but tried to gain control "by bringing in his friends—highly visible and controversial people—as stockholders."

Mr. Simon's departure is ironic that Mr. Saffir has cited his participation during much of this year as evidence of the project's credibility and basic financial strength. Mr. Simon is a former investment banker, and Mr. Saffir implied that he may have wanted to use the newspaper as a base for support if he stood for political office.



Pessimism on securities

BY OUR OWN CORRESPONDENT NEW YORK, Oct. 25.

A GLOOMY assessment that the U.S. securities industry is in such poor shape that further rapid contraction is unavoidable has been made by Mr. Robert Baldwin, president and managing director of Morgan Stanley.

Mr. Baldwin, who takes over as chairman of the Securities Industry Association in December, said yesterday that since 1973 an average of one-third of the New York Stock Exchange firms supporting business with the public had suffered losses.

This year has already seen three significant mergers between Wall Street firms, and Mr. Baldwin predicted that "another 25 or 30 sizeable companies would disappear during the coming year through mergers or acquisitions. This assumes that there would be no major change in market conditions, and "I cannot see any end yet to this trend," said Mr. Baldwin.

The slump in trading this year has led to slim brokerage commissions has been hurting many Wall Street companies. It is thought that the merger pace will quicken if the Securities and Exchange Commission goes ahead with its proposal to allow off-the-board trading of New York Stock Exchange securities from January 1. Mr. Baldwin supported the general securities industry view that the approach to off-the-board trading must be made "only when the essential elements of a national market system are in place. Otherwise abolition of existing rules preventing off-the-board trading would do irreparable harm to the auction market and hence to the capital raising process."

Fed raises discount rate

BY OUR OWN CORRESPONDENT NEW YORK, Oct. 25.

THE FEDERAL Reserve Board, the nation's central bank, today raised its discount rate from 5 1/2 per cent to 6 per cent, implicitly confirming the recent increases in short-term interest rates.

The discount rate is the rate of interest which the Federal Reserve charges when member banks borrow bank reserves from it, rather than purchasing them in the federal funds market.

Although the rate can be used as an instrument of monetary policy, the increase today is following rather than leading short-term rates upward. Federal funds are already trading in the open market at an average of around 6 per cent. The Fed said that the increase will also reduce the incentive for member banks to borrow from the Federal Reserve.

Earlier today the Fed had queried some New York banks about their use of borrowing privileges at the Fed's discount window.

Banks short of reserves have the privilege of going to the Fed and borrowing reserves when conditions in the federal funds market, the money market where interbank reserves are traded, are tight.

Recently, however, with the federal funds market trading at 6 1/2 per cent, compared with the Fed's discount rate of 5 1/2 per cent, there has been a temptation to borrow from the Fed because it is cheaper.

Borrowing from the Fed is a privilege—not a right, however, and the Fed keeps a close watch on banks that are borrowing and may issue warnings that the banks are using their privileges too frequently.

Figures released last week showed that, nationally, commercial banks had borrowed \$3.4bn from the Fed's discount window with the New York banks borrowing \$1.1bn.

There have been suggestions, which the Fed will not comment on, that some banks have been borrowing cheaply from the discount window and then selling the funds in the Fed funds market at a higher rate.

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"Truck" magazine's April issue reported a comparison between Sherpa, Transit, Bedford, VW and Dodge vans. Their gruelling test included heavy traffic, delivery and motorway conditions.

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WORLD TRADE NEWS

Imports 'threaten future' of U.K. chipboard industry

BY RAY PERMAN, SCOTTISH CORRESPONDENT

BRITISH chipboard producers attributable to the recession in the construction and furniture industries, where it is used as a substitute for sawn wood. Restricted imports from Europe are on the edge of collapse within six to twelve months.

Sweden to cut imports of textiles

STOCKHOLM, Oct. 23. THE SWEDISH Government today it would seek to introduce further textile import cuts to restructure the country's textile industry with Kr.800m. (\$120m.) Government aid programme.

The international bank with special expertise in Saudi Arabia

البنك السعودي العالمي المحدود Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED 99 Bishopsgate, London EC2M 3TB. Telephone: London (01) 638 2323. Telex: 8812261/2.

W. Germans back rich nations

BY ADRIAN DICKS

WEST GERMANY'S deficit on direct private investment widened to DM1.08bn. during the first half of this year from DM1.88bn. in the first six months of 1976, although the actual volume of flows in both directions was lower, according to figures issued by the Ministry of Economics here.

AER Macchi contract in Turkey

By Our Own Correspondent

ISTANBUL, Oct. 23. THE ITALIAN company AER Macchi has won a \$150m. contract to help Turkey set up an aircraft industry. AER Macchi had been shortlisted by the Turkish Ministry of Defence and the Turkish Air Force.

Surplus reaches DM26bn.

BY OUR OWN CORRESPONDENT

WEST GERMANY'S surplus on trade reached DM26.3bn. during the first nine months of 1977, following a jump by almost 50 per cent. to DM17.7bn. for the month of September alone.

\$5m. credit for Poland

BY OUR OWN CORRESPONDENT

Morgan Grenfell has signed a general purpose line of credit agreement for \$5m. with Bank Handlowy w. Warszawie in Warsaw. The new line is guaranteed by the Export Credits Guarantee Department and will be used to finance U.K. exports of capital goods and associated services.

Austria plans tougher controls

BY PAUL LENDVAI

FACED WITH a rapidly growing trade deficit, the Austrian Government has decided in principle to introduce more stringent import controls and also to revoke certain tariff cuts.

U.K. poultry to Iran

BY OUR OWN CORRESPONDENT

A further deal for the export of frozen chicken was announced yesterday by Mr. Bill Eastwood, chairman of the British Poultry Export Company. The deal involves the export of 10,000 tonnes of frozen chicken to Iran between next month and April.

Change more than your hat before you go to Japan

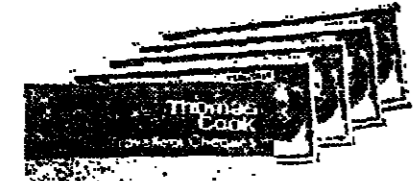
You're going to need money when you're there. Japanese yen. Surely it's more sensible to buy them here and take them with you.

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Thomas Cook Travellers Cheques

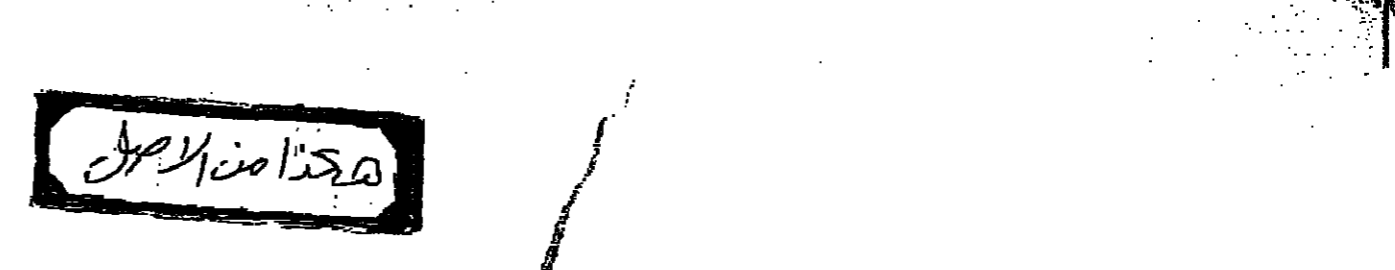
WORLD SHIPBUILDING

Japanese yards ready to fight back

BY DOUGLAS RAMSEY, IN TOKYO

JAPAN'S shipbuilders are about to fight back. New export orders placed with Japanese yards fell 50 per cent. in the six months to September, but since then the yen has appreciated about 5 per cent. against the dollar, burring the ship industry first and foremost because Japanese ship prices (unlike other major export items) are quoted in yen.

being paid (at least theoretically) in yen. Now, however, the dollar has dropped in value against the yen, Japan's competitive position on the ship export market, a market already contracting due to low demand and a chronic oversupply of new building capacity (in Japan and elsewhere).



Sweden cut imports of textiles
AER Mac contract in Turkey

"We think ourselves lucky if we fall into a trap."

Geologists are eternal optimists.

"You have to be", declares Alastair McArthur. "If you're not, you'll never drill a single well".

The optimism doesn't come easily, given the £3.5 million cost of a North Sea 'wildcat'—the initial exploration well drilled in an area—and 1-in-5 odds it will find oil or gas. Even a 'successful' well is no guarantee of success; in the North Sea, most wells which do find oil or gas do not find enough to make the well commercially valuable.

Alastair McArthur is one of a team of Mobil geologists and geophysicists who help narrow the odds before a decision is made to drill an exploratory well.

Seismic vessels crisscross the area under investigation, firing harmless sound 'guns' and recording the sound waves as they bounce off rock formations thousands of feet beneath the sea bed. From the results of these and such other studies as gravity and magnetic measurements, the geophysicists create a 'map', like the one opposite, of the rock formation structures.

The geophysicist's job is to outline the shape of the structure. The geologist has to interpret the shape to determine if it contains the three elements needed for oil.

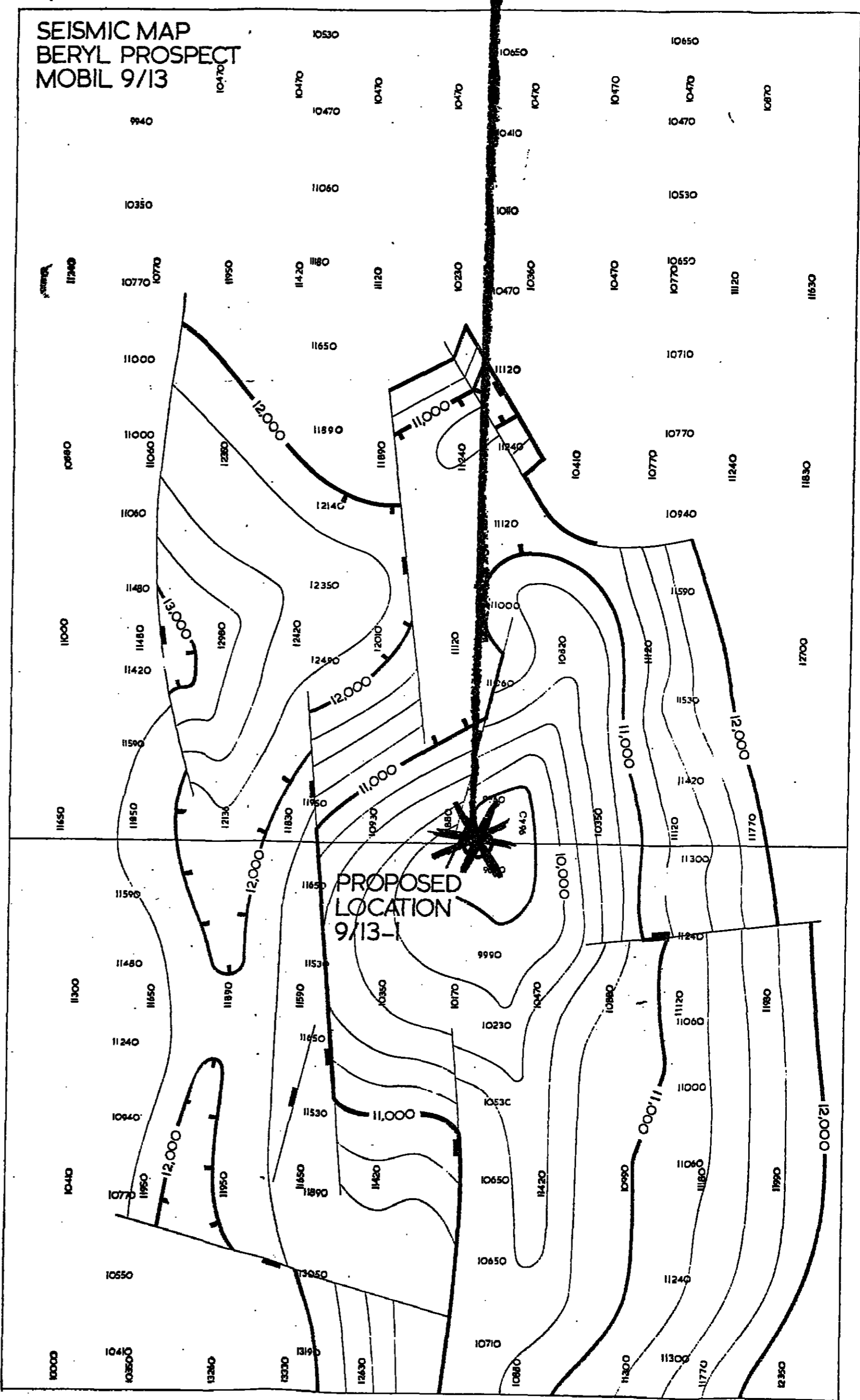
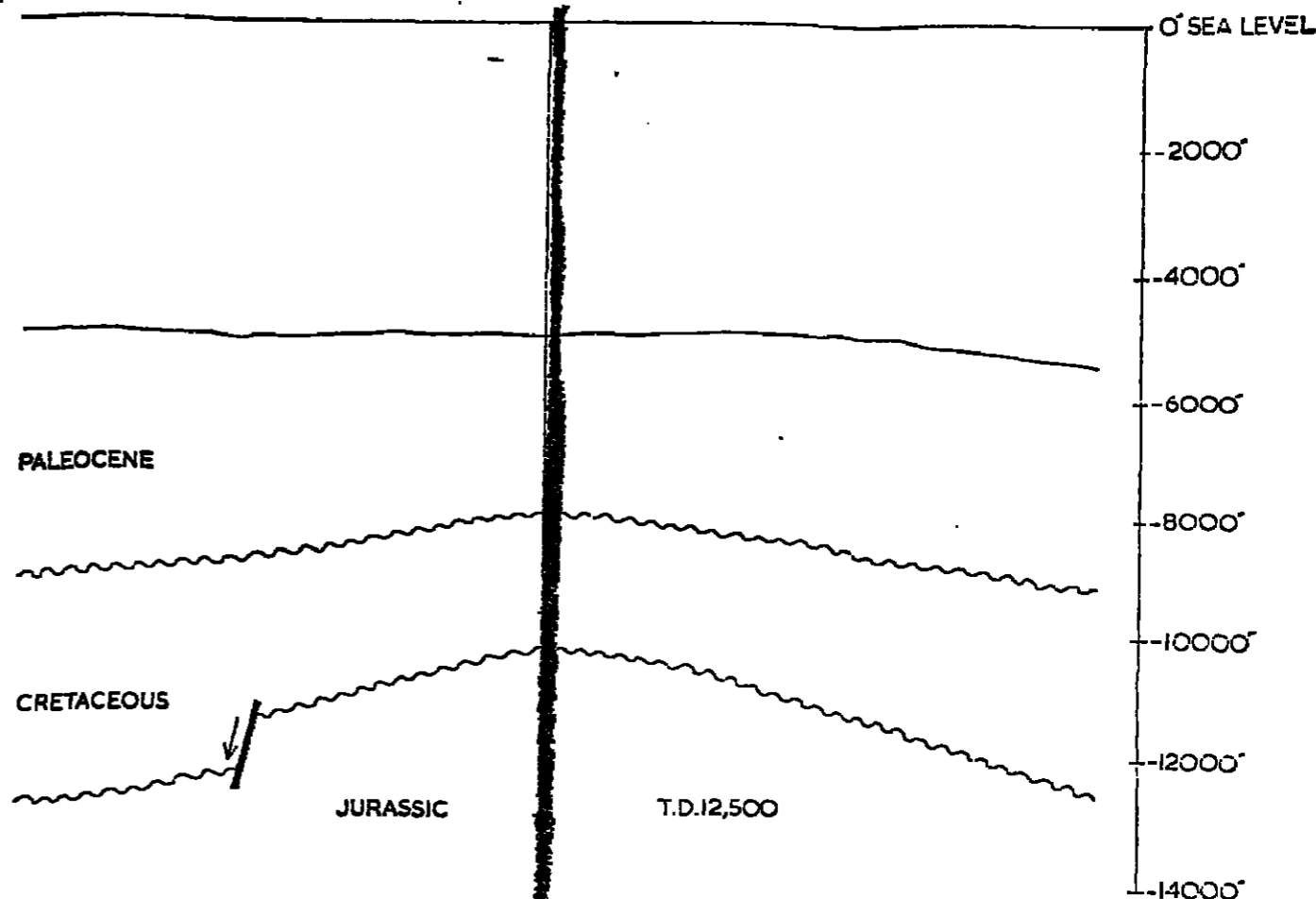
"For oil to be present in a structure", explains McArthur, "there must be a source rock in which the oil could have formed, a reservoir into which it could have moved, covered by a solid rock 'lid' to hold the oil in the reservoir. This happy arrangement of rocks is the 'trap' that may be found by a combination of hard work and good luck".

In many parts of the world, where intensive drilling has already taken place, geologists can use information about nearby rock formations to increase the prospects for success of additional wells.

But the North Sea is so vast that—even after more than a decade of drilling—the wells in some areas are so widely spaced as to be of little help in planning additional drilling.

It is in these areas, particularly, where the skills and optimism of geologist McArthur and his Mobil colleagues are needed to keep us falling into traps.

PROPOSED WELL LOCATION 9/13-I



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Midland Bank

South Africa's black miners between two ways of life

BY G. M. THAIN

SOUTH AFRICAN gold mines, after a long spell of near-acute shortages of black miners, have moved into a period of surpluses but the prospect of achieving a stable labour force with increasing skills seems as far off as ever.

The situation is full of paradoxes which have their roots in the parallel existence of two ways of life in terms of social structure and economics—politics playing a negligible role. The mining industry traditionally depends upon an adequate flow of migrant labour, a matter of much controversy. Briefly, this is the recruitment of workers in their homelands—domestic or foreign—for contract periods ranging from six to 18 months. At the end of it they return. After a break they may or may not decide to take up another contract.

One main criticism of the system is that it disrupts family life. That is true though the majority of recruits are single young men seeking cash, in part to supplement earnings of their immediate family, but mainly to marry and establish a family of their own. The industry also has come under fire because of the living conditions provided and the way of life which the system entails.

Average payment

The mines dislike the migrant system as much as any of the critics. Apart from other difficulties which it entails, it is from the purely economic aspect the main factor behind low productivity levels. Efforts made to raise them have so far fallen far short of the theoretical potential. Until some five years ago, before the gold was freed from the shackles of the official price of \$35 an ounce, the average monthly cash wage was R17 a

month, with free accommodation, food, medical services and certain other amenities. Now the average payment is R108.50 (£72.50), with R68.90 for novices, rising to R159-R212 for senior team leaders. Non-cash remuneration is estimated at nearly R50 a worker per month. Coupled with this there has been capital spending running into millions a year on improving the quality of living conditions.

It was confidently expected that these improvements would radically increase the attractiveness of mining as a job and encourage blacks to sign on for long-term contracts and to renew more frequently, paving the way towards their adopting mining as a lifetime career. The number of those seeking work has been increased, but the main reason for it appears to be the depressed state of the South African economy as a whole. There has been little sign of the main objectives being achieved, in fact there has been an appreciable setback.

The fundamental reason is that while the white society in southern Africa is an advanced consumer society calling for high cash earnings, its black counterpart has not advanced far from its age-old subsistence structure and shows little sign of undergoing rapid change.

In consequence, with a family group largely self-supporting through farming activities, the cash earnings of any member are supplementary to total income and not a major portion of it. Therefore it may be said that the mining industry is the employer of last resort as the source of additional income.

Once the short-term needs of his family unit have been met, a black worker sees no need to remain on the mines. This leads him to opt for six-month contracts rather than longer ones. It also explains why a quite substantial number decide that



Miners drawing their food.

turn, but with no continuity of the gold mining industry of South Africa. Until now palliatives have been sought on an ad hoc basis. But the stage has arrived where a concerted effort must be made to settle it at the fundamental level.

promotion. Until rural black communities get caught up in the consumer society, no incentive exists for members to become permanently involved in underground mining.

A naive solution advanced by some economists and sociologists is that black workers and their families should be permanently housed in mining areas. That would bring about more evils than the present system. It is difficult, on moral grounds, to justify uprooting thousands of family groups from an existing way of life and pitching them into a new environment in which economic pressures will force the breadwinner to put it crudely—to spend his working life underground to support his dependants. Besides, the cost would be beyond the financial resources of even the richest gold mine. For a big producer with 15,000 black workers, a complete town to house 80,000 people would have to be built and employment for up to 3,000 besides the miners would have to be found.

Even though these problems could be overcome, the whole concept breaks down on the fact that any mine—and the industry as a whole—has a finite life. The great majority now being worked will have ceased operations unless the towns were broken up and the inhabitants re-deployed in yet new towns elsewhere? Nor could they be sent back into the areas of their origin and with societies completely alien to their miners' way of life.

That is the basic dilemma of the gold mining industry of South Africa. Until now palliatives have been sought on an ad hoc basis. But the stage has arrived where a concerted effort must be made to settle it at the fundamental level.

Notice of Redemption Transamerica Overseas Finance Corporation N.V.

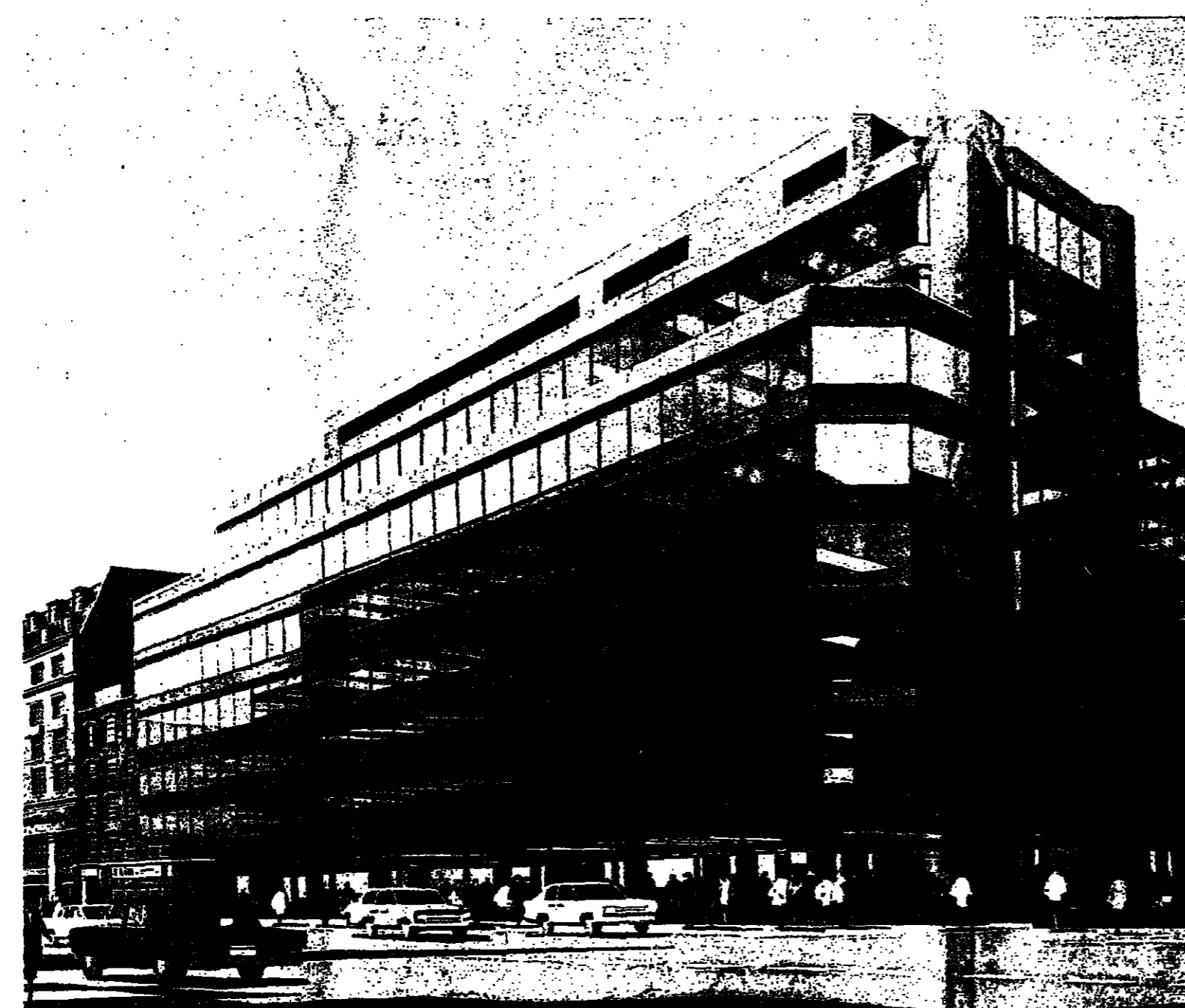
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Table listing debenture numbers for redemption, organized in columns and rows. Includes a header for '3 1/2 % GUARANTEED SINKING FUND DEBENTURES' and a list of numbers ranging from 100 to 10000.

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October 26, 1977



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22 Billiter Street, London EC3M 2SA. Telephone: 01-488 0808. Telex: 882171.

UNITED ENGINEERING INDUSTRIES

Table showing unaudited results for the six months ended 31st July, 1977. It compares turnover and profits for 31.7.77 and 31.7.76 across various business segments like General and precision engineering, Commercial vehicle bodybuilding, and Quarrying. It also includes a section for deductions such as Holding company expenses and Loan stock interest payable.

An Interim Dividend of 1.1106p per share net is now declared and will be paid on 10th December, 1977 to members on the register on 12 November, 1977. This compares with a net dividend of 994p per share for the six months to 31st July, 1976 and a total dividend of 1.9883p per share for the year ended 31st January, 1977. The Board wishes to announce that it has been informed by the controlling shareholders that they no longer wish to continue with the discussions which may have led to an offer being made for the share capital of the Company. In view of the current satisfactory level of trading and the improvement in liquidity, it is your Board's intention to increase the total dividend payable for the year ended 31st January, 1978 by the maximum amount recommended by the Treasury.

UNITED ENGINEERING INDUSTRIES LIMITED

TODAY, COCA-COLA IS MOVING OUT OF MILTON KEYNES.

18 months ago, the new canning plant for Coca-Cola was merely a twinkle in someone's eye.

Yesterday it opened, in Milton Keynes.

And today, cans of Coke are on their way to destinations throughout Britain.

Why did The Coca-Cola Export Corporation choose Milton Keynes? Easy.

They wanted good communications. We're under 1 mile from the M1, midway between London and Birmingham.

They wanted space. We gave them 10 acres, on which they built a 96,000 sq. ft. plant.

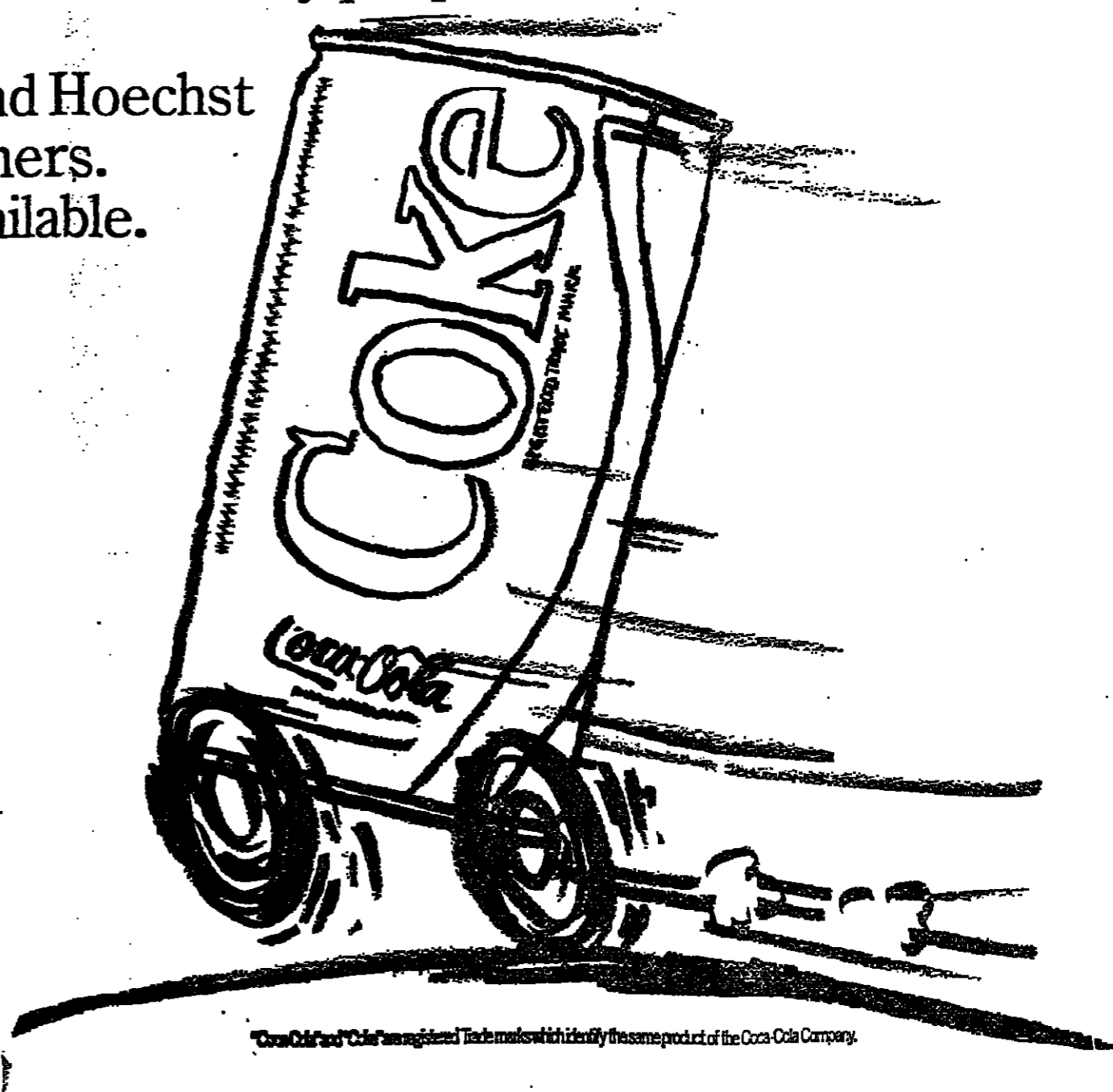
They wanted a happy, contented workforce. We had the workforce available, and Milton Keynes has no rival as far as housing and environment are concerned.

A spokesman for The Coca-Cola Export Corporation said: "The important factors were the fine road and rail connections, the ready availability of good housing and amenities in the town."

The Coca-Cola Company aren't the only people to see the benefits.

Rank Xerox, Volkswagen and Hoechst are here, too, along with many others.

However, space is still available.



HOME NEWS

Recession in steel hits U.K. harder

BRITISH steelmakers are among the worst-hit by the world steel slump, according to the latest figures of the International Iron and Steel Institute, which monitors 29 western nations.

The big steelmakers of Europe, the U.S. and Japan, are all losing business to the smaller steelmaking nations as the international recession drags on.

British production of crude steel in the first nine months of this year was 5.8 per cent less than during the same period last year.

The total crude steel production of the original European Community—France, West Germany, Holland, Belgium, Luxembourg, and Italy—was 5.4 per cent below the first nine months of last year. United States production was 4.6 per cent and Japanese produc-

tion 1.7 per cent lower for the period.

Steel production throughout the Western world in the first nine months was 327m tonnes—nearly 3 per cent below the level of the previous year.

The new figures show that the steel industries of the developing nations are gaining during the recession against the established steelmaking nations. Output by the smaller steelmaking nations rose by almost 3 per cent in the first nine months of this year compared with the same period in 1976.

The decline in the fortunes of the British steel industry is resulting in losses of about £1m a day by British Steel. Proposals for a recasting of the corporation's investment programme are expected to be put to the Government by Sir

Charles Villiers, chairman, before Parliament reassembles next month.

They will be matched against Whitehall's own conclusions about how to tackle British Steel's mounting losses, likely to reach £500m in this financial year.

Mr. Eric Varley, the Industry Secretary, is likely to make a statement on British Steel to the Commons after the reports from the corporation and Whitehall have been matched.

No formal plans have yet been made for him to intervene in the mounting steel crisis. But the behind-the-scenes work being done on the ailing corporation together with the certainty that many questions on the steel crisis will be put by MPs as soon as Parliament re-assembles, are expected to force such a decision on him.

Accountants seek lessons from inspectors' reports

BY MICHAEL LAFFERTY

THE FIRST public statements to be issued by the English Institute of Chartered Accountants on cases where auditors and accountants have been criticised in Department of Trade reports were published yesterday.

It follows a similar initiative launched by the Scottish Institute of Chartered Accountants a few months ago.

In future the Institute plans to issue public statements after it has examined such criticisms, apparently on the lines of those currently issued from time to time by the Takeover Panel on City matters.

Yesterday's announcement was accompanied by statements dealing with Department of Trade reports on a company called Bernard Russell, and another called John Willment (Automobiles), which went into receivership in 1974.

A third statement, which had been expected to disagree with criticisms of the auditors, Peat Marwick Mitchell, in the Lomrho inspectors' report, was not ready in time for the meeting.

The two statements are notable for their leniency, instead of criticising or censuring the accountants or auditors concerned, their emphasis is on the lessons which can be learned from each case. As such they differ considerably from the Scottish statements, where in the Scottish and Universal Investments affair, for example, a Douglas Ross partner was publicly censured for failing to detect a £5m error in the accounts.

In the Bernard Russell case, where two small firms of joint

auditors were found in the inspectors' report to have "failed to carry out their duties... throughout the company's history," no further action is to be taken.

"The committee found it difficult, in the light of conflicting evidence and the time that had elapsed, to determine or apportion the blame for any particular audit failures and concluded that the evidence available to it was not such as to support the preferring of a formal complaint against any individual to the disciplinary committee," the statement said.

In the John Willment case, the Institute says that the conduct of two chartered accountant non-executive directors, Mr. S. J. Lambert and Mr. A. J. Richards, was not satisfactory.

However, "in the absence of any official guidance on the matter at the time and in view of the possible effect of hindsight on the committee's view the committee decided to take no further action."

It is not thought to be a coincidence that the Institute's new initiative, limited though it may be, comes only a few weeks before publication of the reports of the Cross Committee of Inquiry into regulation of the profession.

Although this is not expected to recommend any dramatic changes many senior accountants accept that some degree of statutory backing will be necessary if the profession is to be seen to be putting its house in order.

Editorial Comment, Page 20

Football fans can buy shares

By John Brennan

SUPPORTERS of Norwich City Football Club have a rare opportunity next month to buy a share in the club.

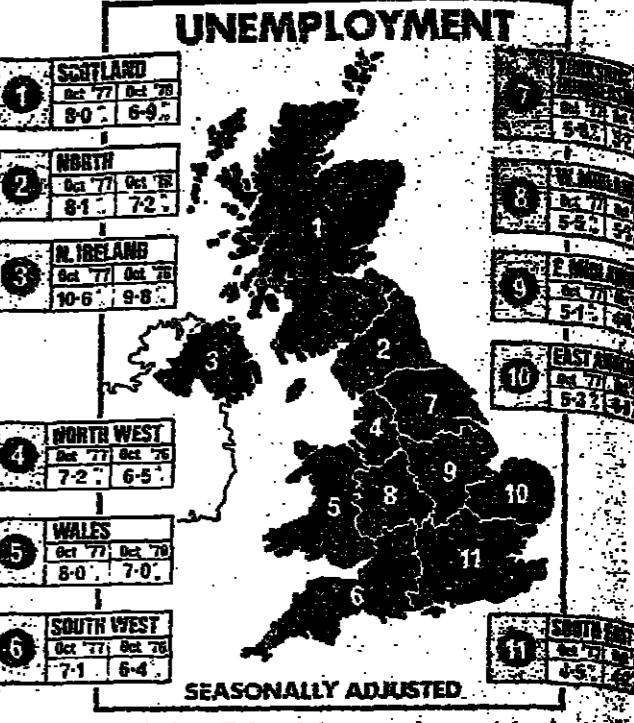
The fourth largest shareholding in the club, owned by the trustees of the late Captain E. H. Barclay, is to be broken into 30 lots of 50 shares and sold at public auction on November 4 in Norwich's Royal Hotel.

There is expected to be considerable local interest in the sale, which is the first major public disposal of club shares for several years.

Interest in the auction is expected to be increased by Norwich's recent success. The club is having an unusually good season and stands seventh in the first division.

Savills, the auctioneers handling the sale, said that a substantial offer for all 1,500 shares which have a nominal value of £1, had been rejected.

Capt. Barclay's trustees want to press ahead with the auction to give Norwich's fans a chance to take advantage of ticket concessions attached to the shares. Holders of stock have the right to buy a season ticket—which can prove hard to come by normally—for every nominal £10 worth they have.



The 13,000 fall in adult unemployment in the last month, on a seasonally-adjusted basis, masked a further widening in the regional differences. Unemployment rose in Northern and South-West England, Wales and Scotland last month, while the West Midlands was the main area where there was an above average decline.

Indeed, since the underlying jobless trend started to rise again in mid-May, the rise in unemployment has been much sharper in the regions with a traditionally high rate. There has been a 1.2 per cent increase in Wales and a 0.8 per cent rise in Northern England compared with an 8.7 per cent increase in the U.K. as a whole and an 8.4 per cent rise in the South-East.

Big freight company sold again

By Ian Hargreaves, Transport Correspondent

ALLTRANSPORT International Group, one of Britain's largest freight forwarders, has changed hands for the second time in four years.

Alltransport became part of the Monte Carlo-based Visagroup when the latter acquired Shipping International Holdings in 1973. Yesterday its re-sale to a Dutch investment company, Roolbosch Holdings BV, was announced.

No changes in the British management structure, its staffing levels, or its basic areas of operation are proposed. Mr. Roy Brooks, the chairman, said last night that he believed the change in ownership would increase investment.

In the past three years, Alltransport's net trading profits have been stuck at around £250,000, although turnover increased from £5m to an estimated £10m this year.

Most of the group's pressures are attributed to high interest charges and the rapidly increasing replacement costs for road freight vehicles.

Local growth urged for Merseyside

BY RHYS DAVID

MERSEYSIDE must look to locally generated growth to counteract persistent unemployment, the decline in traditional industries and limited prospects from incoming industry, according to a report drawn up for the Manpower Services Commission.

The report, discussed at a meeting of the MSC in Liverpool yesterday, points to structural weaknesses in the area, including the decline of port-related industries, the predominance of manufacturing companies with poor prospects for employment growth and the slow increase in jobs in the local service sector.

It points out, too, that the population is declining and many of those leaving the area have been young and skilled. The decline of industry and lack of investment has left a generally poor environment unlikely to attract workers and investors.

The report concludes that the area must place greater emphasis on locally generated growth, but the difficulties of encouraging this must not be underestimated.

It says that small and medium businesses should be helped to train labour for expansion projects and be offered improvements in the quality of training for management.

The report recommends aid to encourage larger firms, the diversification of assistance for individual, groups and companies, and the creation of new small businesses, with larger companies contributing "umbrellas" of staff and resources to get them under way.

The MSC and Merseyside County Council should tap entrepreneurial talent by holding a local public competition for new business proposals, the report says. The prize would take the form of substantial help in starting the winning project.

Help should also be given to enable training for self-employment in the area, the MSC and the County Council should set together to identify the needs of new businesses, products which could be sold locally, provisions of capital and premises, and the type of training required.

Delay of 10 years 'would not harm nuclear plans'

BY IAN BREACH

A DECISION on whether to build a thermal-oxide reprocessing plant could be delayed for 10 years without harm to any future nuclear power programme in Britain. Such a delay "will do nothing to aggravate the admitted difficult problem of waste storage," Mr. Raymond Kidwell, QC, said yesterday at the Windscale public inquiry.

Economic and energy justifications for the plant had not stood up to examination.

On behalf of Friends of the Earth Mr. Kidwell said that there were no good reasons why the plant should be increased at a cost to the Exchequer of £70m, to offset the inflation between January and September this year.

"We must never forget that Mr. Healey has now been obliged by Parliament to adjust tax allowances each year so as to offset the effects of inflation and to prevent the tax burden being increased by stealth," he said.

"This means that in his next Budget Mr. Healey would be obliged, simply to correct for inflation to that date, to cut taxes by about 15%." So, to-morrow's exercise should be regarded as a modest acceleration of the change that Mr. Healey would in any event be obliged to make at Easter."

Mr. Healey would need to reduce the total burden of income tax by £5bn, to restore the position he "inherited," said Sir Geoffrey.

Other targets necessary to Budget.

Tax cuts even out, says Howe

BY DAVID FREUD, INDUSTRIAL STAFF

TO-DAY'S mini-Budget will relieve income tax by little more than the amount that the Chancellor would be forced to concede anyway in the next spring Budget, claimed Sir Geoffrey Howe, the Shadow Chancellor, yesterday.

Sir Geoffrey told a London Chamber of Commerce and Industry lunch that he had received a letter from Mr. Denis Healey, the Chancellor, that morning, stating that allowances would be increased at a cost to the Exchequer of £70m, to offset the inflation between January and September this year.

"We must never forget that Mr. Healey has now been obliged by Parliament to adjust tax allowances each year so as to offset the effects of inflation and to prevent the tax burden being increased by stealth," he said.

"This means that in his next Budget Mr. Healey would be obliged, simply to correct for inflation to that date, to cut taxes by about 15%." So, to-morrow's exercise should be regarded as a modest acceleration of the change that Mr. Healey would in any event be obliged to make at Easter."

Mr. Healey would need to reduce the total burden of income tax by £5bn, to restore the position he "inherited," said Sir Geoffrey.

Other targets necessary to Budget.

Criticisms on eve of mini-budget

Reduce standard rate to 33%, managers urge

BY OUR ECONOMICS STAFF

There was disappointment in the performance-related increases and merit awards for those directly concerned with production were not to be allowed in the Government's pay guidelines.

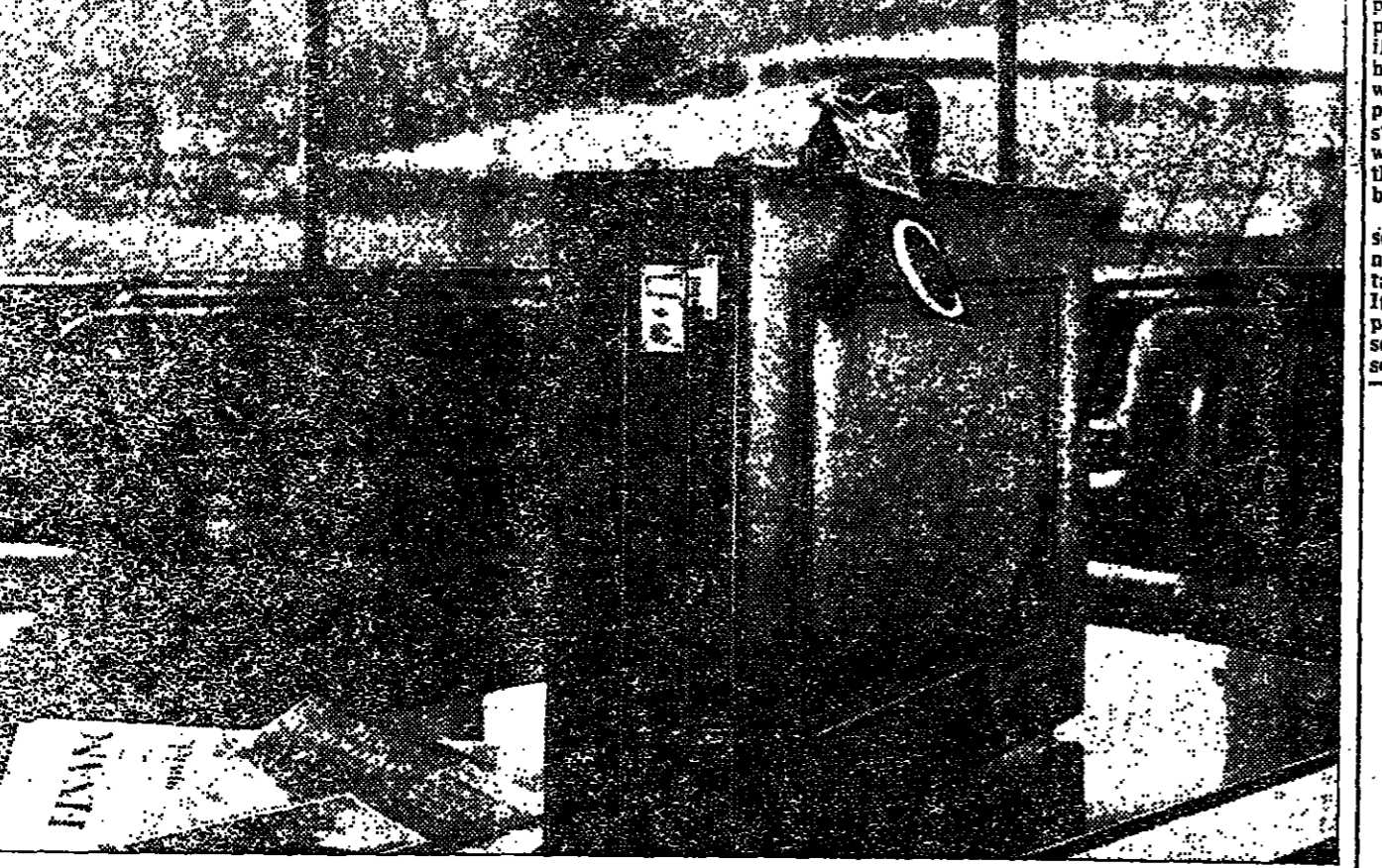
"We felt that this decision was further discrimination against the professional employee, even though the application of incremental scales can be shown to be self-balancing in certain terms."

Mr. Close added: "The current position shows that there is a need to cut the standard rate to 33 per cent in the April Budget of this year, as the institute is requested, and this should be a minimum target at the present time."

A REDUCTION in the standard rate of income-tax from 34 to 33 per cent as a "minimum target" and a further concession concentrated on income-tax and allowances were called for yesterday by the British Institute of Management in a last-minute submission to the Chancellor before his statement to-day.

Mr. Roy Close, director-general of the institute, stressed commitment to restoration of differentials and incentives for management.

"Therefore we strongly support the introduction of an appropriate stimulus this autumn which will continue the modest but welcome changes in direct tax that were introduced in the April Budget."



This man aims to win record export orders for his company this quarter

We aim to give him all the help he needs

What's the real difference between one bank and another? The size of the balance sheet? Or the quality of the service?

You probably know Coutts has a great tradition of personal service to private customers.

You may not know we have a great tradition of giving expert, efficient and highly personal service to corporate customers as well.

It's a service that has helped build businesses and export order books for generations because we are small enough to take decisions quickly, big enough to handle overseas transactions with a minimum of fuss or delay, and professional enough to supply accurate information on any market anywhere in the world.

In particular it has won us a reputation for our foreign exchange dealings, where we have proved that speed and flexibility, allied to competitive rates, are more than a match for size.

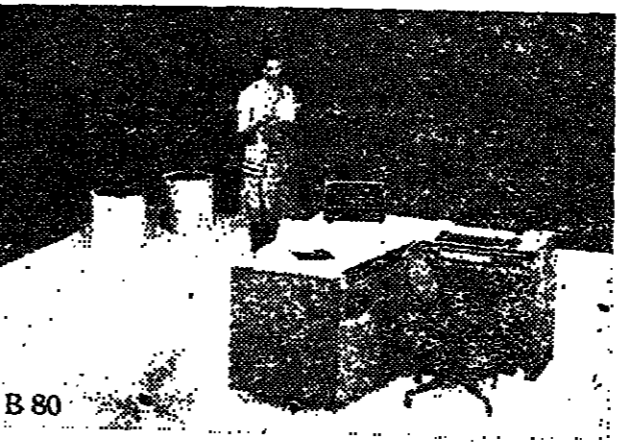
If you think these are qualities needed to help your company grow contact John Acheson at Coutts. You may find they apply to many other situations as well.



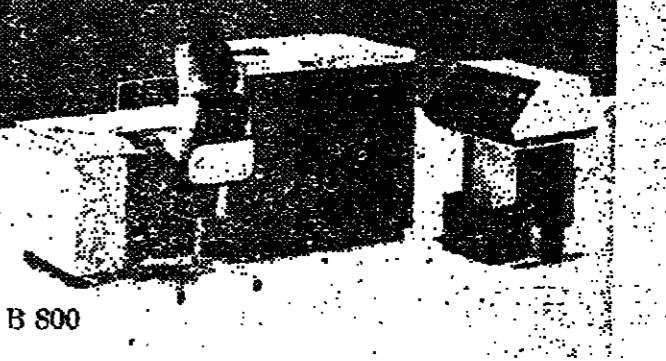
Talk to Burroughs about small computers that provide large system benefits.

They can do a lot for your organization!

- These systems are the smaller members of Burroughs "800" family of computer systems, a family which extends all the way to the very large B 7800. However, the B-30 and B 800 are designed to uniquely meet the needs of both the smallest and largest organizations.
- Should your needs grow further, you can change your system and continue to use the high-level programming languages as on the B 80 and B 800. This commonality also extends to operating procedures, and together they contribute to Burroughs consistently maintaining high customer loyalty.

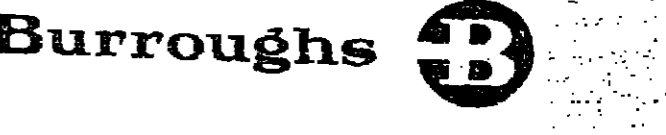


- The B 80 and B 800 satisfy larger organizations seeking to decentralize or distribute data processing power within their operations. Reports are available for immediate action at local or regional levels and, through data communications networks, headquarters management can receive the information needed for overall operations analysis and control.
- The systems are supported by Burroughs field engineering, systems analysis, design teams and Customer Support Centers located throughout the world.
- The B 80 and B 800 economically provide large computer features which automatically control all system resources, relieve your operator of dozens of tasks required by other manufacturers' computers and speed the workflow.
- Burroughs Business Management System program products let the B 80 and B 800 begin work soon after they arrive in your office. BMS application programs are available for practically every type of organization, provide fast and comprehensive management information, and are especially important to those usually not employing a professional programming staff.
- The B 80 and B 800 can grow easily and economically with your needs since they offer data communications capabilities and employ a broad, common range of printers, magnetic storage units and other peripheral products.



Large or small, talk to Burroughs about B 80 and B 800 computer systems—they can do a lot for your organization.

For information, contact your local Burroughs office.



كازمان الأصل

HOME NEWS

Inner cities 'must have economies revived'

BY OUR BUILDING CORRESPONDENT

THE REGENERATION of inner city areas involved not only physical renewal but the revival of their economies...

Mr. Barnett was addressing the annual conference of the Institute of Municipal Building Management...

The partnership scheme involves the co-operation of local authorities in jointly implementing inner area regeneration programmes...

Environment Mr. Barnett said that under the Government's new policy to bring new life to decayed urban areas...

£3bn savings from life assurance

BY ERIC SHORT

THE life assurance industry last year contributed £3.29bn towards new savings in the United Kingdom...

BP sues Texas oilman over Libyan benefits

BY KEVIN DONE

BRITISH PETROLEUM is suing Mr. Nelson Bunker Hunt, a leading Texas oilman, for damages...

Steel acts in Scott case

BY RUPERT CORNWELL, LOBBY STAFF

MR. SAM SILKIN, the Attorney-General, has been urged by Mr. David Steel, to ensure that police inquiries into the latest allegations over the Norman Scott affair be carried out as swiftly as possible...

Cable ship 'for U.K. yard'

BY OUR SHIPPING CORRESPONDENT

AN ORDER for a £10m cable ship is almost certain to be placed with a British shipyard by Cable and Wireless...

£1,000 lottery for GLC

FINANCIAL TIMES REPORTER

A WEEKLY LOTTERY for £1,000 prizes run by the Greater London Council is to begin in the spring...

New code of conduct for directors in own share deals

BY MARGARET REID

A NEW code of conduct for directors dealing in the shares of their own companies was published yesterday by the Stock Exchange...

A key provision of the code is that directors and senior employees should not buy or sell shares in exceptional circumstances...

TV tube makers distrustful of incursion by Hitachi

BY JOHN LLOYD

MULLARD, the sole remaining British-based TV tube manufacturer, has poured cold water on the suggestion that it might supply a new type of tube for Hitachi...

Hitachi has said that in its first year of production it will take about 25,000 of the 110-degree tubes manufactured by Mullard...

Strike cuts air traffic

FINANCIAL TIMES REPORTER

A BALLOT of the 850 air traffic control assistants, whose strike has lasted eight weeks, will go ahead over the next week on new pay offers...

Mothercare wins award

BY OUR MARKETING EDITOR

MOTHERCARE, which recently branched into the U.S. with its acquisition of a chain of 110 stores, has won the Institute of Marketing's 1977 national marketing award...

As a result, by last year it had taken a 13 per cent share of the U.K. greenhouse market. Since then it has further consolidated its position and profits have doubled...

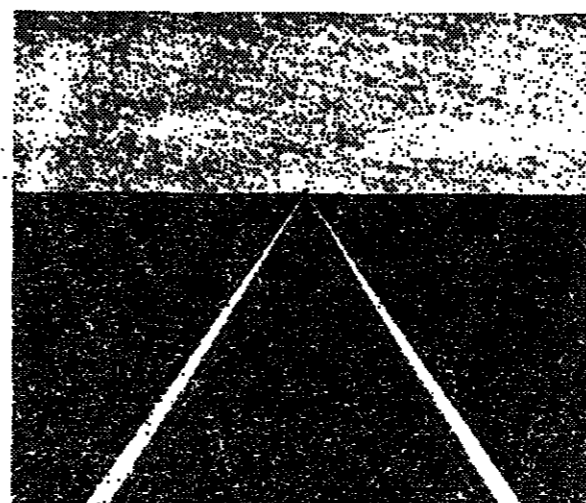
Category 3, for companies with turnover below £2m, was won by Aero-Print, which in five years has extended its share of the total world airline ticket market from 7 per cent to nearly 35 per cent...

Category 2, for companies with a turnover of £2m-£10m, was won by Halls, Homes and Gardens, part of the Pentos Group...

Look what you gain when you travel by train



A chance to do better business face to face.



Faster travel.



Greater comfort.



The opportunity to work while you travel.



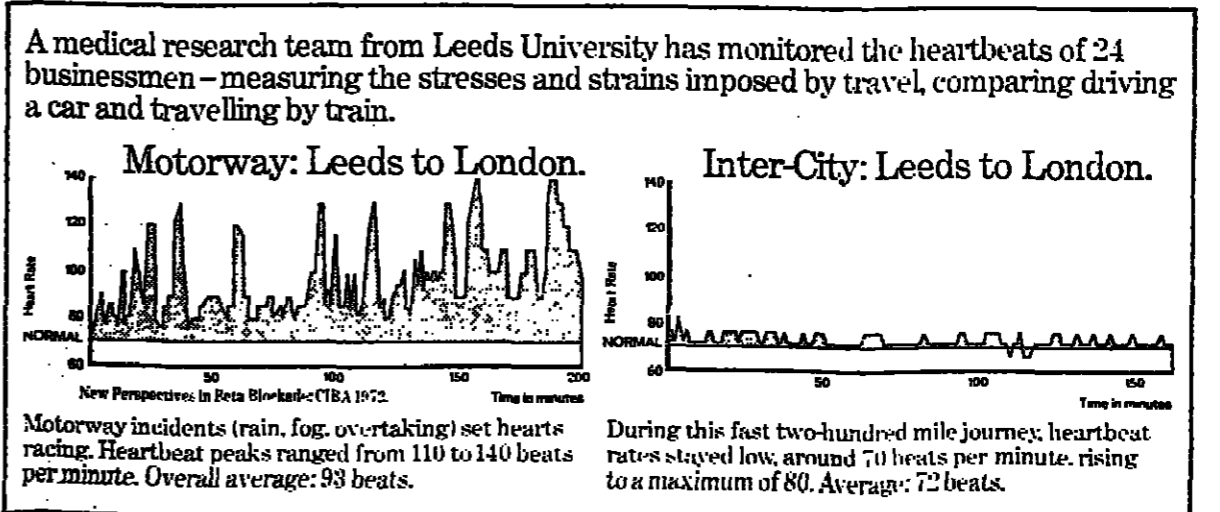
A hot meal, a drink or a snack on most trains.



A car at the other end (at over 60 stations).



More relaxation.



Stress-free travel.

When you travel by Inter-City, you can forget about your problems. You won't hit any traffic on the way. You get time to have a meal, catch up with work and relax in real comfort...

It all adds up to one thing: travelling Inter-City makes good sense.

And good sense makes good business. So go Inter-City soon.



Inter-City makes the going easy

Tether requests 'proper hearing' at High Court

THE FORMER Financial Times columnist reprimanded on Monday by an industrial tribunal for trying to influence a witness in his unfair dismissal claim, asked yesterday for a High Court hearing.

Mr. Gordon Tether, 63, of Hill Road, Worplesdon, who wrote the Lombard column for 21 years, strongly objected at the continuing hearing in London to the tribunal's widely reported reprimand given to him by Mr. W. T. Wells, the tribunal chairman.

On Monday, Mr. Wells said the tribunal unanimously accepted the submission that Mr. Tether had tried to influence a witness. Mr. Tether said he had no intention of interfering with witnesses and would be reported to the High Court.

Mr. Wells said: "We are unanimous of the opinion that we should take no further action, but the fact that we have no jurisdiction over contempt does not deprive us of the right and duty to control our own proceedings and take steps to protect witnesses."

Mr. Wells added that referral to the High Court was the ultimate step the tribunal could take.

One of the reasons in deciding this was unnecessary was that the tribunal considered the matter originally complained of by the Financial Times arose more from Mr. Tether's misunderstanding of the role of a trade union official than from any corrupt intention to influence a witness.

Supervisory

Mr. Thomas Morrison for the paper said the fact that the tribunal had no power in itself to punish for contempt did not mean it did not have power to admonish to ensure there was no misunderstanding in the future.

The tribunal had exercised its supervisory duty.

It would be wholly intolerable if the tribunal was unable to admonish, even if it took the view that it was better not to report the matter to High Court.

Mr. Morrison added that he had been invited to testify on oath, and he did not want any fear when they came to give evidence.

Mr. Tether replied that it was very serious for a distinguished journalist to be held guilty of attempting to influence a witness in any other place, these "charges" would be libellous, he said.

He added: "If the position is as clear as Mr. Morrison says, it is my right to demand a proper hearing in the High Court. I am concerned with my reputation."

"I take a very serious view of this ruling because it essentially denies me justice on a very important issue which goes far beyond the ordinary activities of an industrial court. I will certainly take further legal action to secure justice."

As the hearing proceeded, Mr. Tether asked Mr. Van de Weyer whether his powers as father of the chapel entitled him to go to a meeting with the management and agree to the dismissal of a journalist who had been employed by the paper for the whole of his working life, with consultation with him, the journalist, the chapel or its committee.

Mr. Van de Weyer replied that no member of the chapel had at any time expressed any criticism of the way he had acted over Mr. Tether's case.

He said he had been called to the meeting with the management, but the Editor had already decided that Mr. Tether was no longer going to write in the Financial Times.

Mr. Justin Dukes, joint general manager, took the view that they had to discuss compensation and Mr. Tether's future well-being.

Mr. Van de Weyer said he put forward a compensatory formula which was agreed.

Mr. Tether commented: "Mr. Van de Weyer had no authority to accept any situation—even a fait accompli."

Mr. Fredy Fisher, who since 1957 has been successively diplomatic correspondent, foreign editor, assistant editor and deputy editor, before succeeding Sir Gordon Newton as Editor of the Financial Times in January, 1973, told the tribunal that Sir Gordon invariably read all the major feature articles by columnists and had made alterations to the Lombard column when he, Mr. Fisher, was present.

Since Mr. Tether's departure, Mr. Fisher had tried to preserve the column as a place where independent views could be expressed, not necessarily the views of the Financial Times.

He did not recall whether he saw Mr. Tether before or after this decision. He was anxious to reassure Mr. Tether that he had every intention of preserving his independent column.

But at no stage during that conversation did he say anything which could in any way be interpreted as having surrendered editorial control over any part of the Financial Times.

The hearing was adjourned until to-day.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

OPERA & BALLET

COVENT GARDEN, CC. 240 1066.
Tonight 7.30. Don Carlos. Wed. 8.00. Don Carlos. Thurs. 8.00. Don Carlos. Fri. 8.00. Don Carlos. Sat. 8.00. Don Carlos. Sun. 8.00. Don Carlos.

THE ROYAL OPERA
Tonight 7.30. Don Carlos. Wed. 8.00. Don Carlos. Thurs. 8.00. Don Carlos. Fri. 8.00. Don Carlos. Sat. 8.00. Don Carlos. Sun. 8.00. Don Carlos.

THEATRES

ADOLPH THEATRE 01-836 7611.
Tonight 7.30. The Night of the Kings. Wed. 8.00. The Night of the Kings. Thurs. 8.00. The Night of the Kings. Fri. 8.00. The Night of the Kings. Sat. 8.00. The Night of the Kings. Sun. 8.00. The Night of the Kings.

ALBERT HALL 01-836 7611.
Tonight 7.30. The Night of the Kings. Wed. 8.00. The Night of the Kings. Thurs. 8.00. The Night of the Kings. Fri. 8.00. The Night of the Kings. Sat. 8.00. The Night of the Kings. Sun. 8.00. The Night of the Kings.

ALBANY 01-836 7611.
Tonight 7.30. The Night of the Kings. Wed. 8.00. The Night of the Kings. Thurs. 8.00. The Night of the Kings. Fri. 8.00. The Night of the Kings. Sat. 8.00. The Night of the Kings. Sun. 8.00. The Night of the Kings.

AMBAZADES 01-836 7611.
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AMERICAN 01-836 7611.
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ANTHONY AND CLOPP 01-836 7611.
Tonight 7.30. The Night of the Kings. Wed. 8.00. The Night of the Kings. Thurs. 8.00. The Night of the Kings. Fri. 8.00. The Night of the Kings. Sat. 8.00. The Night of the Kings. Sun. 8.00. The Night of the Kings.

ART GALLERIES

ROY MILES GALLERY
8, Duke Street, St. James's, S.W.1.
THE VICTORIAN ERA EXHIBITION
Exhibition Now On

AGNEW GALLERY 45 Old Bond St. W.1.
19th Century Art Exhibition of English Watercolour and Drawings from 1800-1850.
28 October. Mon-Fri. 9.30-5.30. Sat. 10.15-5.30. Sun. 12-5.30.

COLNAGHI'S 14 Old Bond St. W.1.
19th Century Art Exhibition of English Watercolour and Drawings from 1800-1850.
28 October. Mon-Fri. 9.30-5.30. Sat. 10.15-5.30. Sun. 12-5.30.

FIELDORNE GALLERIES 63 Queen's Grove, N.W.8.
19th Century Art Exhibition of English Watercolour and Drawings from 1800-1850.
28 October. Mon-Fri. 9.30-5.30. Sat. 10.15-5.30. Sun. 12-5.30.

FOX GALLERIES 5-8 Cork St. London, W.1.
19th Century Art Exhibition of English Watercolour and Drawings from 1800-1850.
28 October. Mon-Fri. 9.30-5.30. Sat. 10.15-5.30. Sun. 12-5.30.

Bank of Montreal

Established 1817
Dividend No. 476

Notice is hereby given that a dividend of twenty six and a half cents per share on the paid up capital of this institution has been declared for the current quarter payable November 28th, 1977, to share holders of record, as at the close of business 31st October, 1977.

Shares not fully paid for by 31st October will rank for the purpose of the said dividend to the extent of the payments made on the said shares on or before that date.

By order of the Board
R. Muir,
Vice President and Secretary.

G. T. Japan Investment Trust

Extracts from the Annual Report 1977
Chairman: Mr. W. T. J. Griffin

The year to 30th June, 1977 saw a more modest increase in the net asset value per share of your company than the previous year. The increase of 11.5% may be measured against an advance of 5.2% in the Tokyo Stock Exchange Index, but the outcome was also affected by a fall, from 451 to 411, in the investment currency premium, and a change in currency rates from 532 to 460.5 yen to the £ sterling.

Since the end of the financial year, your company has issued £2,000,000 2½% Convertible Unsecured Loan Stock 1987. A major reason for this issue was your Directors wish to dilute the effect of the investment currency premium on your company's affairs. Already during the financial year in furtherance of the Board's policy, substantial sales of stocks held over the premium had been made, to some extent due to the 25% surrender of the currency premium. The fall in the currency premium from 41.75% at 30th June to its present level of 26% has justified these moves.

In accordance with the statement in the prospectus to the recent issue of Convertible Unsecured Loan Stock, total dividends have been maintained at 4%.

Demand in the Japanese domestic economy remains weak and the Japanese Government's forecast of real growth of GNP is likely to be achieved more because of the strength of exports than because of an increase in personal consumption.

For the longer term, your Directors remain as confident as ever in the prospects for the Japanese economy whose strength and flexibility are unique among those of major nations.

Copies of the Annual Report can be obtained from:

G. T. Management Ltd., Park House (1st Floor)
16 Finsbury Circus, London EC2M 7DD

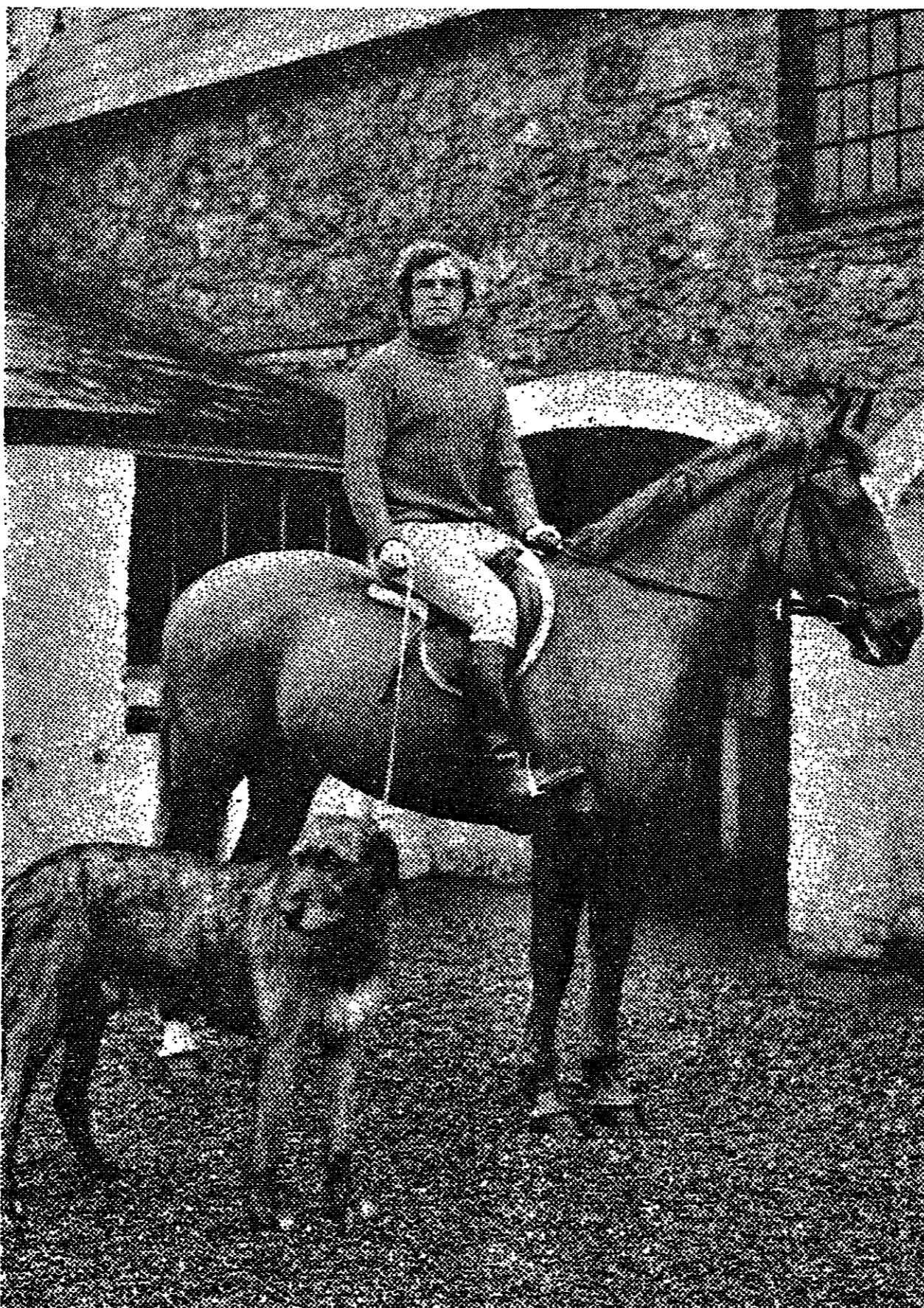
THE CHESTER BARRIE SHOW

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(Open all day Saturday 29th Oct)

Gentlemen, this is your opportunity to view London's finest collection of Chester Barrie ready-to-wear clothes. Suits, jackets, topcoats and trousers superbly handcrafted in the finest British cloths are featured especially for your appraisal... Chester Barrie - when only the best is worth having.

GIEVES & HAWKES Ltd.
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Also in the City-Lime Street Branch - Show Now On



WHAT INCENTIVE MAKES IRISH WORKERS SO KEEN TO HELP 600 OVERSEAS ENTERPRISES SUCCEED?

A STAKE IN THE COUNTRY.

When you open a factory in the Republic of Ireland, you have an abundant labour pool. Your Irish workers will be skilled, educated and English-speaking. Your factory will become part of their local community. They will be as eager as you are to see it succeed and expand.

Irish wage rates are the most favourable in the EEC; the Irish government the most encouraging to industry. You deal with one organisation only for all negotiations connected with establishing a factory, the government's Industrial Development Authority. Your nearest office is at 28 Bruton Street, London W1X 7DB.

Telephone Hugh Alston at (01) 629 4214 / (01) 499 6185. Ask for a total package tailor-made to your project: financial and tax concessions, workforce recruitment, training... whatever you need.

REPUBLIC OF IRELAND.
FASTEST GROWING INDUSTRIAL LOCATION IN THE EEC.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTTERS

METALWORKING

Production rate and finish improved

A method of machining hydraulic rams introduced by Grosvenor Hypower is to be offered as a service to producers of hydraulic machinery.

Designed to provide a better finish and at the same time improve production rates of rams machined from stainless steel tube, the process combines a single-point turning tool and a burnisher in a common lathe fixture. This permits rams up to 20 ft. in length and 8½ in diameter to be turned to finish burnished to a mirror-like surface by a single pass of the combined tool. Overall machining times are drastically reduced.

Specially adapted roller-type burnishers are at the core of the process. These, says the company, can best be described as roller bearings without an inner race, this function being taken over by the workpiece. Both the rollers and outer race, however, are slightly tapered so that by moving the outer race in an axial direction, the pressure on the workpiece and therefore the burnishing effect, can be varied.

In the case of the tooling developed by Grosvenor Hypower, the burnisher and single-point turning tool are installed in a special fixture secured to the lathe saddle and arranged so that they are in close proximity to each other as the workpiece is turned. In addition to imparting an excellent surface finish, supports the workpiece virtually at the point of cutting and disposes, therefore, with the need for work steadies along the lathe bed.

The process is used mainly in the machining of rams from standard hot-finish stainless steel tube for the hydraulic lift industry. Three standard sizes

with diameters of 41 in., 51 in. and 61 in. respectively are manufactured but there is no reason why other sizes should not be produced, it is stated. Ram length is limited to 20 ft.

For lengths in excess of 20 ft. completed rams are joined together through screwed sockets and splines.

Grosvenor Hypower, Renforth Street, Rotherhithe, London, SE16. (01-237 0593.)

Penetrates fast and accurately

A double-edged "balanced-cut" boring tool that can run at twice the penetration rate of more conventional tools is being introduced by Madison Tools, a subsidiary of the U.S. based Madison Industries division of Amtel.

The boring and reaming tools comprise twin bladed cutting bodies with indexable inserts and cylindrical or Morse taper shank holders. A centralising pin and locking screws retain the cutters in holders. Accuracy is claimed to be within 0.0005 inch tolerance in boring or reaming at indicated speeds.

The throwaway carbide inserts in the tools are easily replaceable and the cutters, which range from just under 24mm to 178mm are suitable for all grades of ferrous and non-ferrous metals. Prices range from £25-£50.

Further information from Madison Tools, of Roud Street, Hockley, Birmingham B19 3LB. PETER CARTWRIGHT

SECURITY

Detects letter bombs

A FREE-standing desk-top mail screening device made by Scana Security Systems and marketed by Envopak does not use X-rays but is based on the assumption that some metal has to be used in letter bombs.

Detection is based on the disturbance of electrostatic fields by the bomb metal and it is claimed by the company that its detector can distinguish between this and paper clips. Mains interference is filtered out and cancelled to affect the performance of the device. If there is a suspect metal substance, the machine gives both audible and visible warnings. Malfunction also gives a warning to avoid false alarms.

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Further information from Scana Security Systems, 101-1023 5123.



At this Glarry's fashion store in Birmingham, which notes the sales and first thing the next morning prints warehouses, picking lists and delivery notes. Use of the equipment means that Glarry's can deliver daily to every store replacements for all the items sold up until closing time on the previous day.

COMPUTING

Where policy differs

WHILE OTHER countries in the industrialised world either have, or are developing, some sort of strategy to deal with the mix of communications and computing as it is used to be, such questions were not simply "nervous system" of the United Kingdom continues to be the conclusion of the recent Datafair in London.

Decentralisation now possibly could involve the loss of thousands of jobs in one small area, often a government designated development area. On the other hand, distributed processing for such organisations as the DHSS or the Inland Revenue made sense, for these were, as Agency, Reay Atkinson.

His paper "The Strategy between State and Private Industry" essentially distributed organisations. How will the end-user be affected? First discussed how large a user the Government is with over 300 computers for scientific/administrative purposes. £52m. expenditure annually on hardware and maintenance, and 16,000 staff involved, almost 5,000 of them in systems design and programming. It also mentioned social effects.

He pointed out that given the realities of Government there could not be a master plan for Government operations. However, new technologies would cause many problems for organisations, since human aspects were essential, and a national approach was needed.

From Asao, Executive Adviser to Fujitsu and a member of the Japan Computer group in the Japan Computer

Usage Development Institute which drew up the much-discussed plan for transforming Japan into what has been called an "Information Society" showed how it would develop. Japan had an option but to go down the route of the information society, with few natural resources, and with an industrial base constantly eroded by the underdeveloped countries, its standard of living and its future could only come from making information handling products, which have a greater added value than most other industrial goods.

The initial five-year plan, 1972 to 1977, indicated a government spend of nearly \$3,250m, which included substantial investments in communications, education, pollution prevention, and medical systems. Much of it had not transpired for various reasons. But the act of planning on this massive scale alone made it possible to identify what was happening and to see why.

A massive investment requirement over the period to 1985 is being proposed for computer-oriented education. The figure given was \$36bn, including more than \$21bn on computer terminals.

Provision of computing facilities in education was already beginning to have a marked effect on the calibre of entrants to industry, as much of that power was concentrated in the Japan's 500 technical colleges and institutes.

ENERGY

Power from the wind

WORLD OIL free-fall in 1973 years of experimentation behind 1974 precipitated an urgent review by Western industrialised nations of their energy resources, and demonstrated that they could no longer take for granted plentiful and cheap supplies of imported fuel to sustain their lifestyles.

In retrospect, these events were a fortuitous reminder of the need to conserve supplies of fossil fuels and to develop the use of natural energy sources as an alternative—solar, wind, waves and tide power, geothermal heat, and plant and vegetable matter, and recycling of human and animal waste.

The Ambient Energy section at Interbaril will take an emphasis on the development of energy capture and efficient energy management with two

Emphasis is on those products, processes and systems which currently have direct relevance to architects, engineers and to the whole building and construction industry.

Flat plate solar collectors, photo-electric cells, heat pumps and aerogenerators will be seen alongside more conventional energy conserving and heat recovery systems. Representatives of the U.K. section of the International Solar Energy Society and the Solar Trade Association will be there to answer questions and a slide show will illustrate the practical applications of the equipment.

Interbaril will run at NEC, Birmingham from November 16 to 25. More on 01-458 1951.

INSTRUMENTS

Source of reference

SERIES 400 dc voltage references offer high accuracy and stability for work inside and outside the calibration laboratory—such as electronic standard cell, checking dc voltage capacitors and digital voltmeters with "free" monitoring drift of other sources, in-built voltage reference in data loggers, etc.

There are three basic models in this Datron "own brand" series at present each with the option of incorporating a precision divider for measurement of voltages up to 1,000. Model 410 has four fixed outputs of 10mV, 100mV, 1V and 10V. Model 411 additionally has 5, 6, 4, 2 and 1 mV fixed outputs.

Both models 410 and 411 have a low output impedance with a least 10mA current capability.

COMMUNICATIONS

Hand-held speech link

OFFERING four uHF channels at one watt output, the RC808 hand-held transmitter-receiver from Marconi Communications Systems measures 248 x 75 x 37mm and weighs 0.8kg with its nickel cadmium batteries.

The radio, designed and developed by Interphone, a Danish company, is to be assembled by Marconi in the near future. Quantity delivery will begin in the autumn.

Equipped with built-in loud-speaker-microphone, the unit has a stepped volume control, plug-in helical aerial and a battery status meter. It can be fitted with the

COMPONENTS

For faster wiring

A SNAP-TOGETHER building block conductor of nylon-moulded wire and cable clamping elements that are assembled on a reaction rail and which use no screws for clamping the conductors has been launched by Hellemann Electronic Components.

The basic rail-held elements are assembled side-by-side in the manner of books on a shelf. Each "book" is identically shaped but is basically hollowed out to house the contact bar and its top spring clamps into which cable ends are fed via conical orifices from the spine and opposite edges of the "book". The cable springs are directly operated to grip the cable by means of a screwdriver blade inserted either from just above the cable entries, or from the top of the element through further holes.

A second kind of element, but with the same contact system can be edge stacked on top of the first and if required a snap-in connector connects the two metallic parts.

Elements are supplied in four sizes able to take nominal conductor cross sections of 2.5, 4.0, 6.0, and 16 square mm. Single conductor or multi-strand flexible cables can be clamped without damaging individual strands and without additional ferrules. An important point about the clamping arrangement is that the cable springs transmit no pressure on to the black housing so that performance cannot be impaired if the plastic is heated and softened. The mouldings contain a number of shapes to facilitate assembly, prevent incorrect assembly and allow marking of the blocks with alpha-numeric flags.

The system, designed in West Germany, is called Cagoclamp and according to Hellemann allows wiring times to be reduced by up to 60 per cent. More from Galwick Road, Crawley, Sussex RH10 2RZ (0283 2885).

Multi-motor protection

A RELAY which incorporates both instantaneous short circuit and normal thermal protection within a single unit has been put on the market by B and R Relay Harlow.

The trip action is produced by the inclusion of a small solenoid which eliminates the need for individual fuses normally required for each motor multiple installation. Installation cost and wiring complexity is reduced and space can be saved as well.

Applications for the relay which is designated UL1245 will occur where the motor ratings are up to 4 hp at 415V. Short circuit protection is usually set at 10 times the overload current.

B and R claims that cost savings can be made over only two motors are operated from the same supply. More from B and R, Harlow, Essex (0278 34561).

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ABRAS LIMITED and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 26th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 7th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

D. J. FREEMAN & CO., Chartered Secretaries, 40 Abchurch Lane, London EC4A 3DF. Ref: A3E. Tel: 01-458 4853.

THREE CLEAR DAY for inspection before payment will be made—U.K. Citizens' Bank Limited, Stock Office Services, 52, Abchurch Lane, London EC4A 3DF.

NOTICE—Any person who intends to appear on the hearing of the said Petition must file a statement in writing of his intention so to do. The notice must state the name and address of the person or of a firm, the name and address of the firm, and must be signed by the person or firm, or must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BRENKOR LIMITED and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 14th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER, NATHAN & VARDY, 28, Cannon Row, London WC1E 7JH. Ref: BE 580.457.

NOTICE—Any person who intends to appear on the hearing of the said Petition must file a statement in writing of his intention so to do. The notice must state the name and address of the person or of a firm, the name and address of the firm, and must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PALMVALE LEATHER CO LIMITED whose registered office is situated at Cotswold Road, Abingdon, Oxfordshire, and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 14th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER, NATHAN & VARDY, 28, Cannon Row, London WC1E 7JH. Ref: BE 580.457.

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IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of GENEVA S.A. (Incorporated in the Republic of South Africa).

DIVIDEND NO. 103—HOLDERS OF SHARES OF WARRANTS TO SHARE IN THE DIVIDEND OF GENEVA S.A. (Incorporated in the Republic of South Africa) should send to the undersigned their name and address, or of a firm, the name and address of the firm, and must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

GENERAL MINING AND FINANCE CORPORATION LIMITED, 28, Cannon Row, London WC1E 7JH.

NOTICE—Any person who intends to appear on the hearing of the said Petition must file a statement in writing of his intention so to do. The notice must state the name and address of the person or of a firm, the name and address of the firm, and must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

APPEALS

ANCIENT MARINERS: Now sending our Members a card for their 50th Anniversary. Please acknowledge it to: Royal Warranted Ancient Mariner's Society, 36, Woodmansway, Lane, Weston, Surrey.

MOTOR CARS

CAR HIRE

RANGE ROVERS and Land Rovers to hire. Unlimited mileage. Office: Four Mile Lanes, 01-894 1211 (Scotland) Liddell, 324A.

Notice to Holders of Bearer Depository DAI NIPPON PRINTING CO. LTD. We are pleased to confirm the receipt of the Consolidated Financial Statements for 1977 from Dai Nippon Printing Co. Ltd. and available to BDR Holders upon application to the following conversion agent:

London Branches in London, Birmingham, Manchester, Leeds, Newcastle, Glasgow, Edinburgh, Cardiff, Belfast, Dublin, Luxembourg, Milan, Paris, Rome, Zurich.

Banking Services in London, Birmingham, Manchester, Leeds, Newcastle, Glasgow, Edinburgh, Cardiff, Belfast, Dublin, Luxembourg, Milan, Paris, Rome, Zurich.

October 1977.

COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP ORANGE FREE STATE GOLD MINING COMPANIES

Further to the dividend notice advertised in the press on the 15th September 1977 the conversion rate applicable to payments in United Kingdom currency in respect of the dividends listed hereunder is £1=11.545795

Name of Company	Dividend No.	Amount of Dividend declared	U.K. currency per share
Free State Gold Ltd	41	130 cents	97.03744
Mines Ltd	42	60 cents	38.81497
Prospect Brand Gold Ltd	43	10 cents	6.46916
Weston Mine Co Ltd	44	27.5 cents	17.79919
Western Holdings Ltd	45	140 cents	90.56828

The election rate of South African Non-Resident Shareholders' Tax is 15 per cent.

For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Office of the United Kingdom Chartered Secretaries Limited, Charter House, Park Street, Aldgate East, London E1 3DG. 26th October, 1977.

London Secretary J. C. Greenwood, 40 Holborn Viaduct, London EC1A 1JF.

GRANGES ANTIPOLOG

Copies of the Interim Report and Accounts for the year ending 30th September 1977 are being sent to all members of GRANGES ANTIPOLOG (INCORPORATED IN SOUTH AFRICA) by post. The Report and Accounts may also be inspected at the registered office of the company, 40, Holborn Viaduct, London EC1A 1JF.

DIVIDEND NO. 103—HOLDERS OF SHARES OF WARRANTS TO SHARE IN THE DIVIDEND OF GENEVA S.A. (Incorporated in the Republic of South Africa) should send to the undersigned their name and address, or of a firm, the name and address of the firm, and must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

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LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of R & R TURF ACCOUNTANTS LIMITED and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 19th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 26th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WARD GIBANCE, 8, Roper Square, London EC2A 4DP.

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PLANT AND MACHINERY

100 FORK LIFT TRUCKS for sale. Contact: Mr. J. L. O'Connell, 82, Whitehall, London SW1A 2HT. Telephone: 2833. Fax: 2833.

FACTORYING, Invoice Discounting, Cash Advance, Overhead Crane Hire, etc. Mr. J. L. O'Connell, 82, Whitehall, London SW1A 2HT. Telephone: 2833. Fax: 2833.

A FINANCIAL TIMES SURVEY

BRAZIL

NOVEMBER 8 1977

The Financial Times is preparing to publish a survey on Brazil. The provisional editorial synopsis and date are set out below. The survey is being published in conjunction with the Brazil Export Exhibition which opens in Sao Paulo on November 11 1977.

INTRODUCTION: An assessment of how well Brazil is equipped for its "great power" ambitions. Economic prospects in the aftermath of the oil crisis. The power of the state. Developments in domestic politics, and changes in the relationship with the U.S.

FOREIGN POLICY: Brazil is asserting its position on nuclear power and protectionism. Rivivalries in South America. Its expanding economic and political influence.

INDUSTRY: The development of heavy industries. The growing share of manufactured and semi-manufactured exports.

FINANCE: Efforts to marshal home-grown savings. Prospects for the stock markets as an alternative to State capital. The foreign debt problem.

FOREIGN CAPITAL: Overseas investors continue to receive liberal treatment, but their influence is being limited in some key sectors. Participation in oil exploration.

POLITICS: Attempts to corner the opposition challenge. The constitutional debate. The succession question.

ENERGY: Plans to reduce the dependence on imported oil. The ambitious project for alcohol as a petrol substitute. The hydroelectric dams which are absorbing multi-billion-dollar investment. The nuclear option.

NUCLEAR POWER: Getting the West German-Brazilian programme off the ground in the face of pressure from the U.S. and elsewhere. Fuel supply problems.

MINERALS: New finds are increasing the importance of the State-controlled mining sector. Negotiating problems with foreign partners.

FARMS: The rebirth of coffee after the 1975 frost disaster. New plantation areas. Continuing improvement in soybeans. The wheat production outlook. The cattle stock.

THE SAVANNAHS: The first serious efforts to develop large land resources in the central pioneer regions. Government support for experimental farming.

URBAN CENTRES: Migration from rural areas, and the shift to a mainly urban population dealing with the resulting problems in the big cities.

The proposed publication date is November 8 1977. Copy date is November 1.

For details of advertising rates please contact: Peter Samuel, Financial Times, Bracken House, 10 Cannon Street, London EC4A 4BY. Tel: 01-248 8000 Ext. 383.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys published in the Financial Times are subject to change at the discretion of the Editor.

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For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Office of the United Kingdom Chartered Secretaries Limited, Charter House, Park Street, Aldgate East, London E1 3DG. 26th October, 1977.

London Secretary J. C. Greenwood, 40 Holborn Viaduct, London EC1A 1JF.

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GENERAL MINING AND FINANCE CORPORATION LIMITED, 28, Cannon Row, London WC1E 7JH.

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LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ABRAS LIMITED and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 26th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 7th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

D. J. FREEMAN & CO., Chartered Secretaries, 40 Abchurch Lane, London EC4A 3DF. Ref: A3E. Tel: 01-458 4853.

THREE CLEAR DAY for inspection before payment will be made—U.K. Citizens' Bank Limited, Stock Office Services, 52, Abchurch Lane, London EC4A 3DF.

NOTICE—Any person who intends to appear on the hearing of the said Petition must file a statement in writing of his intention so to do. The notice must state the name and address of the person or of a firm, the name and address of the firm, and must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BRENKOR LIMITED and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 14th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of November 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER, NATHAN & VARDY, 28, Cannon Row, London WC1E 7JH. Ref: BE 580.457.

NOTICE—Any person who intends to appear on the hearing of the said Petition must file a statement in writing of his intention so to do. The notice must state the name and address of the person or of a firm, the name and address of the firm, and must be signed, or if posted, must be sent by post, in sufficient time to reach the above-named solicitor not later than four o'clock in the afternoon of the fifth day of November 1977.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PALMVALE LEATHER CO LIMITED whose registered office is situated at Cotswold Road, Abingdon, Oxfordshire, and in the Matter of The Companies Act, 1967.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice, is filed at the Court on the 14th day of October 1977, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of November

The Management Page

EDITED BY CHRISTOPHER LORENZ

Smashing into fragile territory

Many people scoff at advertising and marketing awards, saying there are too many of them... But the Institute of Marketing's award made yesterday to Halls' Homes and Gardens falls into a different category...

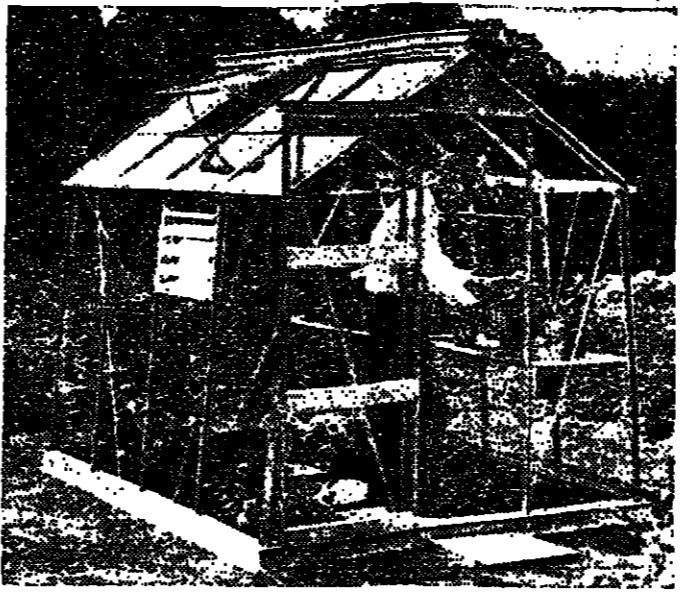
The more orthodox construction side was immediately hived off into a separate division, and has since done well in difficult conditions. At that stage, the greenhouse market was sluggish, selling about 150,000 units a year in wood, a material which was becoming increasingly expensive...



A tougher line on auditing

A NEW body is about to grace the European institutional landscape—a European Court of Auditors—or rather it is an old institution in new clothes with new powers, for it replaces the existing audit board...

But he strongly defends the need for topical reports from the Court on the grounds that, for instance, Press stories that constantly appear about farm spending scandals are "erosive and damaging" to the Community...



A Halls greenhouse in intensive use

In the light of growing interest in home-produced food, the retailers could see that the demand for a product with good price-weight ratio would rise, despite being sold in an unfamiliar environment...

A new way to lift the legal fog

AT THE turn of the century the statute book contained only 203 pages and covered 51 Acts of Parliament. Now it contains thousands of verbose statutes and fills shelves of law libraries...

do better by hearing the spoken word. The cassette makers say you can listen to them profitably while driving a car, and there are some who recommend learning while you sleep...

Calibre of individuals

Though two countries, Belgium and Denmark, are keeping the same men in the audit court, clearly much of the hope placed in the new body will depend on the calibre of the individuals on the court...

STAMP OUT BAD DEBTS. Here's one simple way to get to grips with bad debts... UNITED ASSOCIATION FOR THE PROTECTION OF TRADE.

A gourmet lunch for only £5.50. By 'lunch' we mean an appetizer, main course, sweet or cheese, coffee, service and VAT. Our gourmet menu varies daily.

New Emgee dictating system: word perfect... price perfect.

Advertisement for Emgee dictating machines, showing a machine and a cassette tape. Includes details about the system and pricing.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Consultancy expenses. Having been made redundant, I began to practice as a consultant. The tax inspector has insisted that no expenses incurred in connection with the practice are admissible until after the date on which appointments were secured and fees being earned.

Distribution of capital. Could you inform me as to the statutory obligations of a company in respect of its distribution of surplus capital in dividend form?

Cartoon illustration of a man at a desk looking at a sign that says 'SORRY, OLD CHAP WE CAN'T CONSIDER FINANCING HIGH RISK TECHNOLOGY IN THESE TIMES.' Below the cartoon is the NRDC logo.

Call NRDC. We take the risk for granted. If you've got a good idea that's a genuine technological innovation, NRDC can shoulder half the risk by providing the finance for half the development costs.

You don't have to pay a penny in interest until you start generating sales. And you stay in control throughout. NRDC's money and technological backing could be yours for the asking.

NRDC Finance for innovation. No legal responsibility can be accepted by the Financial Times for the answers given in these columns.

SPICERS. Word perfect... in the office. A list of various companies and their contact information, including addresses and phone numbers.

SPICERS Word perfect... in the office. A logo for SPICERS with the tagline 'Word perfect... in the office'.

Wednesday October 26 1977

Unemployment doubts

THE LONG-EXPECTED but limited package of measures which the Chancellor of the Exchequer is to announce this afternoon has been made possible by the fact that the public sector borrowing requirement has been running well below the original forecast. There is therefore economic justification, as well as room within the terms of Mr. Healey's undertaking to the International Monetary Fund, for some action to correct the present course — which involves an almost complete absence of growth in national output and a high level of unemployment.

It is not known at present, however, whether or not Mr. Healey will give details of the latest official forecast. The very fact that he is able to present yet another mini-Budget emphasises the fallibility of all such forecasting, and the latest forecast can hardly be taken account of the unemployment figures for mid-October published yesterday. Even if time had allowed account to be taken of them, moreover, it is far from clear what weight should be placed on them. They appear to suggest a marked change of trend, and for the better. But such a change cannot be established by one month's figures, especially when special factors have had some part to play, and the month-to-month course of the corrected unemployment figures throughout this year has been suspiciously irregular.

This would be especially so in the case of construction, an industry in which unemployment is particularly high but where it is concentrated among unskilled workers. Since planning delays and underspending by local authorities are partly to blame, it might seem sensible to provide more money for improvement work, which is particularly labour-intensive; but the sort of labour that work requires is more skilled than the average. The uncertain outlook for pay settlements is itself enough to prevent Mr. Healey from going as far to-day as some of his supporters would like. As for the unemployment figures, it is probably safest for the moment to go by the three months running average and conclude provisionally that there has been some deceleration in the pace at which it is rising.

But the underlying trend of unemployment only becomes visible when school leavers and other obviously seasonal factors are set aside. The resulting rising

Still awaiting audit standards

THE ACCOUNTANCY profession has been gradually responding to the public disquiet which has recently been the subject of Department of Trade reports. This was not the first time on which the Institute has made such an announcement. A few months ago it suspended from its membership a director of London and County Securities, the main subsidiary of the fringe banking group which collapsed in 1973, for assisting in the concealment of two fictitious accounts. Shortly afterwards, the Scottish Institute publicly censured three of its members for their respective responsibilities, as assistant managing director, company secretary, and auditor of Scottish and Universal Investments, in letting some £47m worth of loans be incorrectly classified as cash at bankers and on hand in the company's published accounts.

In the two latest cases, however, the English Institute has decided against disciplinary action although it felt, in the one case, that two joint auditors ought so to arrange their activities that the falsification of stock records would be spotted and, in the other, that non-executive directors who are also qualified accountants bear a special responsibility and should make any dissatisfaction they feel about a particular state of affairs abundantly clear, if need be in the point of resignation. The decision not to take action was justified, in the first case, on the grounds of lapse of time and conflicting evidence and, in the other, on what is said to be the absence of official guidance at the time and the desire to avoid hindsight.

Pressure That is as it may be, but there can be no better illustration of the urgent need for a proper system of published auditing standards. The profession has been warned even by some of its leading members of the risks it runs by appearing to be dragging its feet. For all sorts of reasons, self-regulation is preferable to legislative intervention, but the case for intervention could soon become irresistible.

Trailblazing with the JET 'doughnut'

BY DAVID FISHLOCK, Science Editor

THE MOST expensive scientific experiment upon which Britain has ever embarked has finally won approval from European politicians, who yesterday agreed that it should be set up in this country. The Joint European Torus — JET — will be an attempt to demonstrate the latest ideas for controlled thermonuclear fusion, a nuclear technology that could conceivably some day supplant today's fission reactors.

Schemes for exploring the frontiers of science rarely make headlines in the way that JET has done during the past two years of bickering over who should host the EEC project. But so keen were several EEC nations that politicians right up to prime ministers learned to discuss freely — if not always knowledgeably — about the rival merits of the various sites they were proposing. Sometimes in the process their scientific advisers were severely mauled, as was the case with Dr. Walter Marshall, when chief scientist of the Department of Energy.

Scientific test rig

For the experts, however, there was no question that the choice always lay between the U.K. Atomic Energy Authority's Culham Laboratory near Oxford, and West Germany's Garching laboratory near Munich. Only at these two sites, they believed, did a project that would be stretching the boundaries of technology as well as science, stand a reasonable chance of successful completion. Only at these two sites were there teams with the skills and the commitment to come to the rescue when, as must be admitted, seems highly likely, the project runs deep into technical trouble.

Contrary to impressions often given, JET will not be a nuclear power plant at all, but merely a scientific test rig — a "device," as fusion physicists tend to call it. But it is expected to cost about £120m. At to-day's prices, for which sum Euratom — the European Community's nuclear advisers — hope to buy a demonstration of the conditions under which it may be possible to control and harness, for electricity production, the reactions which occur when an H-bomb explodes.

Why JET must be so expensive is simply that the physical processes involved in such reactions — simulations of those which are taking place continuously in the sun — cannot be set up on a small scale. This has already been shown by the experiments costing £1m. or more, such experiments — and this a theoretical basis which has

MEN AND MATTERS

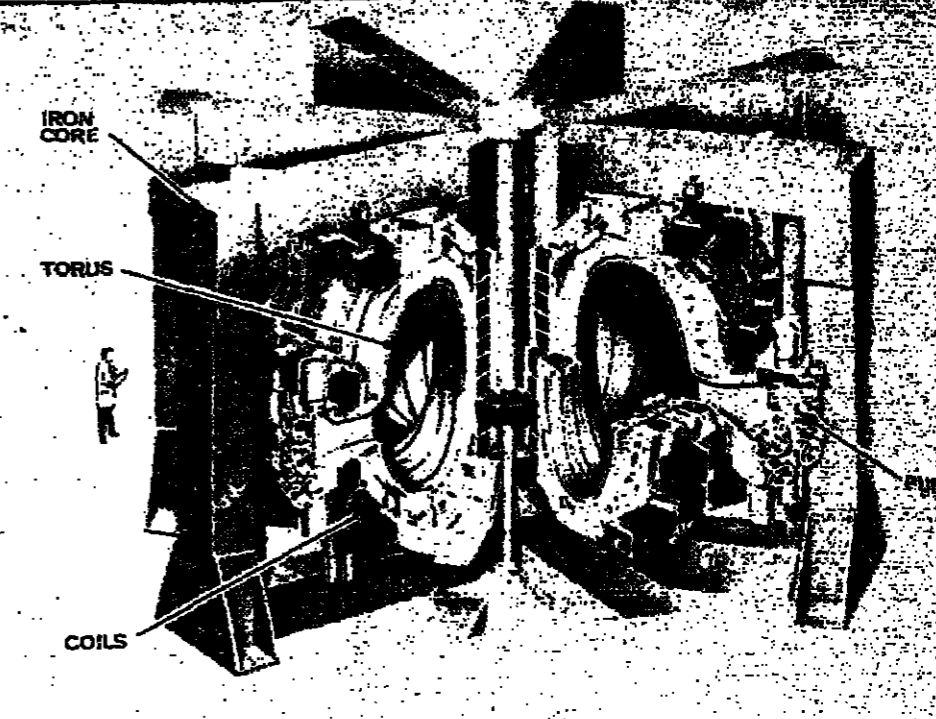
Quick switchers upset airlines This is a nail-biting time for the big airlines — especially British Airways, Pan-Am and TWA. They are just beginning to work out the financial implications of the decision to challenge the Laker Skytrain over the Atlantic. In a nutshell, how much new business will the "stand-by" cut-price seats prove to generate? Even more agonising for the airlines is trying to work out just how many shrewd businessmen now book at the regular price, then switch at the last minute if a stand-by is available — and later claim the refund on their original ticket.

Marching orders The appearance last month of a biography of Marie Stopes, the birth control pioneer, has evoked a bizarre crop of stories from people who knew her. One reminiscence that biographer Ruth Hall wishes she had been able to include in the book concerns Marie Stopes' visits to Covent Garden market in her last years during the late 1940s. The great reformer always brought her gardener up from Dorling with her, to help fill the car with flowers. Then she drove back, after grandly ordering the gardener to walk. Sometimes he was uppity enough to take the train. "She really was a terrible person," says Ruth Hall about the famous trail-blazer of women's liberation.

Pause for breath In spite of having one of the worst drunken driving problems in Europe, the Irish have just abolished the breathalyser. My colleague in Dublin reports that the scale of drunken driving in the Republic is, so to speak, staggering. Even though Ireland's breathalyser was always comparatively lenient, allowing 125 milligrams as against Britain's 80, two out of

every three male drivers tested were found to score an average of over 200 milligrams of alcohol per millilitre of blood. A recent EEC survey shows that Ireland has the worst road accident rate, while statistical samples in the Republic show that 46 per cent. of those killed are over the limit, as opposed to 28 per cent. in Britain.

Hopping mad Claiming that a Brownhills, Staffordshire factory is infested with fleas that have been biting them, 800 women workers have downed tools. Pest control officers have moved in and sprayed insecticide around, but the women say they are staying on strike until they are satisfied that all the fleas have gone.



Artist's impression of the JET device. The idea is to sustain conditions close to those within the sun inside a doughnut-shaped pressure vessel called the torus. Surrounding the 20-ft. torus would be powerful magnetic fields compressing the hot electrified gas — plasma — it contained to prevent it from melting the walls of the vessel.

Thus control of thermonuclear reactions — the fusion of light atoms such as these — could unlock a virtually inexhaustible source of energy. But any idea that it might be cheap energy can be firmly discounted already. The principles on which the JET experiment is based already make it plain that the capital cost of a fusion reactor is bound to be very high. The best the world can expect from this approach to nuclear fusion — the so-called magnetic confinement approach — would be stability of world energy prices. And even that could not possibly be brought about much before the middle of the 21st century.

Neither will nuclear fusion — as some of the advocates of "benign and renewable" energy options claim so enthusiastically — ever be free from problems of radio-activity. As a World Health Organisation study on the health implications of nuclear energy pointed out earlier this year, there is bound to be some release of radioactive tritium — a highly mobile atom — from fusion reactors. Moreover, such reactors, at the end of their lives will produce large volumes of radioactive waste — a consequence of the intense neutron bombardment of all the innards of the reactor — requiring disposal or safekeeping for generations.

JET, then, will be an experiment which, if successful could disclose the conditions under which an experimental thermonuclear fusion reactor might be persuaded to operate by, say, the 1990s. As such it will be the flagship of the EEC fusion research effort, scattered among several national laboratories and universities in most EEC countries. The EEC itself will find 80 per cent. of the cash, and Britain as host nation nearly all the rest.

If one overlooks (generously) the political infighting of the last two years, fusion research has been an outstanding success in terms of European technical collaboration. Euratom's co-ordination of the experiments and training of Europe's fusion physicists has kept it abreast of research much more amply funded in the U.S. and USSR. The

accommodate all the various components of a reactor. The problem, as Culham scientists see it, is that a toroidal fusion reactor, of the kind that JET might point the way to, would probably have to be designed so that large — and highly radioactive — portions could be removed and replaced readily during its lifespan. They fear that, so intense will be the neutron bombardment, the materials and structures will become damaged and distorted. So they have been working on designs in which critical portions might be made modular and hence withdrawn and replaced while they are being refurbished in "hot cells." Such portions could weigh as much as 100 tonnes. The laboratory's latest ideas are embodied in the Culham Conceptual

	1977 prices
The JET device	25.1
Power supplies	19.5
Buildings	14.0
Auxiliary systems (pumping, heating, cooling, etc.)	7.9
Operating budget	7.7
Instrumentation (including computers)	4.0
Manpower (1,398 man-years)	30.0
Contingencies	9.8
TOTAL	£120m.

No short cut

Over the next five or six years, as JET takes shape in a green field near the small village of Culham, the magnitude of those problems we grow much clearer. JET may never work (although some of the best brains in the business think that it will). JET may merely demonstrate that fusion physics are following a path within the laws of physics, and always remain beyond the grasp of economics. Or JET may in the mid-1990s show the way to another, still more ambitious experiment — probably at Garching — which in its turn may lead to Europe's first experimental fusion reactor. One thing we can be confident however, JET will be no short cut to cheap energy. At best it will be the first step towards a technology that will make present-day nuclear reactors — even fast breeder reactors — look simple and perhaps very safe.

Northampton



Northampton is the major shopping and commercial centre for the area. New office buildings and sites are available. It has easy access to the M1 motorway and lies midway between London and Birmingham. It's an ideal centre for distribution.

Northampton's new employment and residential areas are attractively landscaped. Houses are available for employees of firms moving to the town.

Northampton has much more to offer. To find out how much write to L. Austin-Crowe, Chief Estate Surveyor to Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734 and ask to speak to him.

Αρχαιοτητα

هذامن الاصل

New laws to deal with faulty goods

By ELINOR GOODMAN, Consumer Affairs Correspondent

PRODUCT LIABILITY seems to have got a bad name in Britain before most people know that it means. At times it is impossible to mention the phrase without someone adding the word "crisis" in the next breath.

The irony is that many of the same people would admit to having been personally appalled by the difficulties of the victims of thalidomide.

The suspicions many businessmen harbour about the whole matter of product liability is based largely on reports from the U.S.

According to this reading, small businesses making such products as varied as tractors and trampolines are going to the all because of the shift in the American courts towards a strict liability.

Manufacturers are liable for damages caused by defective products even if the defect was caused by their negligence.

The city of it is that the panic generated by this kind of story is intended to obscure discussion of what is a very important issue with implications—albeit of always as dramatic as sports from America might suggest—for virtually every manufacturer and the whole insurance industry.

The next five years, there will be a fundamental change in the British law governing who is responsible for compensating for damage resulting in death or personal injuries caused by defective products. The likelihood is that Britain will adopt a system of strict liability under which a person who suffers damage as a result of a defect in a product will be able to recover compensation from the producer without having to establish that the defect was due to the manufacturer's negligence, so long as—and it is an important proviso—he can prove that it was the defect which caused the damage.

Strict liability already exists in the law of contract. But to make a claim in contract the claimant obviously has to have a contract. That is one of the weaknesses of the present system. Say a man buys his wife a hairdryer with a faulty part which results in her being burnt. She has no come-back against the supplier because she did not buy the goods and therefore has no contract with anybody.

Negligence

Even if the husband had burnt himself with the hair-dryer, he would probably not have been able to sue the manufacturer in strict liability. His contract would have been with the shop where he bought the hairdryer and not with the manufacturer who actually made the product and who, common sense would dictate, was therefore responsible for its safety.

In this situation, his only legal means of getting redress from the manufacturer would be to sue him in what English lawyers call tort and Scottish lawyers call delict. But, by its very nature, tort means proving that the defect was due to the manufacturer's negligence.

The two Commissions were agreed on all these major issues. But there were differences of opinion on important points of detail such as whether manufacturers of component parts

should be held strictly liable for accidents once the component had been incorporated into another product. (The British Law Commission thought they should, the Scottish Commission had reservations.)

The Law Commissions reports are only a strand in the complicated debate about product liability. In Europe, there is a draft directive on product liability emanating from the EEC Commission in Brussels as well as a Council of Europe proposal on the same subject known as the Strasbourg Convention.

In Britain, the situation is further complicated by the prospect of the Royal Commission, headed by Lord Pearson, reporting shortly on the whole subject of compensation for personal injuries. It could recommend a State compensation scheme of some sort which could mean that anyone who was injured could claim compensation from this central fund rather than sue the manufacturer.

The manufacturer would presumably have to pay more into the fund if his goods became the subject of a claim.

A promised Bill on consumer safety also bears on the subject. It would give the Government the power to ban whole categories of dangerous merchandise and make it a criminal offence to sell them.

Confusing and perhaps contradictory as these approaches

may seem, they do all lead in one direction, namely that some-one in the future is going to have to pay the cost of damage caused by defective products. Many companies will therefore have to re-examine both their insurance cover, and their people.

The one aspect of the draft industry have really got to grips with the matter. There are some notable exceptions, like Mr. Ivor Hussey of the CBI, who has

directive of property damage. That would mean that the manufacturer of a defective television which blew up would be strictly liable for damage to, say, the wallpaper burnt in the explosion, as well as any injury to insurance cover, and their people.

Product liability can create great problems. British industry would do well to sort out its views.

been leading what at times has seemed to be a one-man product liability band, but the response to the Department of Prices' request for comments on industry proposals is in fact far more complicated.

That is a pity for this is the time when the British Government's policy can be influenced, as it touches both British legislation and the European initiative. Serious discussion of the EEC directive will begin in Brussels next year. The draft directive seems bound to be changed before it has any chance of being agreed to by all nine member States but, as it stands at the moment, it contains a number of highly contentious proposals.

In most respects, the directive goes farther than the Law Commission report, and for this reason it is supported by the British consumer lobby. In particular, the Consumers' Association, backed up in this case by the Office of Fair Trading, is in favour of the inclusion in the

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Management and unions

From Viscount Trenchard
Sir—Your Lombard column (October 24) is headed "Unions: a message is relevant." This is a message of course, correct as Geoffrey Owen's view that any other factors are involved efficiency is, of course, correct.

It is a fact, however, that we have less structured and somewhat more fast-and-loose collective bargaining arrangements than any other country, and it should not be brushed on the side. Neither should calls for reform in this area be called non-bashing.

I have had long direct experience of companies in the same industries in this and other European countries and in North America. I have known good and bad managements in all of them. Even a potentially good management can appear inept, however, and indeed become worse in the face of industrial anarchy.

If management has to negotiate ceaselessly with many unions and many local stewards on any subjects, it can be heavily overburdened and more efficient systems. A good manager will manage to keep 20 per cent of his time clear on routine and normal duties change things and improve efficiency. This time and much more can be spent on more important if labour relations are in a hand.

This country experienced the industrial revolution first, made a few mistakes and thereafter over-compensated by exempting trade unions and workers from almost all law. If there were no law against robbery, it would not all become thieves, it robbery would I think cease.

Major reforms

The difficulties in the absence of a system become much greater when labour is employed on a large scale, and this in my opinion is why we have remarked that "British Leyland is too big to be broken up" where, indeed, it is now a small company compared with American, Japanese and other motor companies.

If these large-scale industries with competitors abroad, we need major reforms in our systems of collective bargaining. It is in this area of industry that the differences of systems are greatest, and while there are the differences Geoffrey Owen's view is in my view contribute to the solution of our problems sweeping the trade union problems under the carpet.

Take but a few of the differences in Germany: 16 major unions, nearly always one per company, no political motivation, no action allowed, sympathy strikes almost impossible, products and ballot before, no closed shop, regulated democratic secret procedures for any things including elections, articulation and commitment to the prosperity of the firms encouraged by law and enforceability of agreements.

Of course, good British management and responsible trade union leaders can and have got over our disadvantages in this area but it gets harder and harder in the areas of very large-scale labour employment, of these so many are now in the public sector of our economy. Major reforms can be achieved by the adoption of a German law. Quicker and better results could flow from such

Letters to the Editor

actions and the amendment of some laws. Restoring incentives to management as an aid to industry management is probably equally important but is another subject.
Trenchard.
Abdale House, North Mymsms, Hatfield, Herts.

Freedom of speech

From Mr. F. Blick.
Sir—Dicey said that freedom of speech was in England little else than the right to write and say anything which a jury consisting of 12 shopkeepers think expedient should be said or written.

Judging by their reported applause and laughter, the senior store executives of the Twenties Club found Sir Richard Dobson's words both expedient and entertaining.
Why then resign? Because we are now a nation of politicians not shopkeepers.
Fred Blick.
"Long Meadow,"
Lewatide,
Dunston, Stafford.

Another penalty for industry

From the Director,
Slough and District Chamber of Commerce and Industry.
Sir—We are becoming so punch-drunk with legislation that, inevitably, obscure clauses in White Papers are overlooked, although their implementation can be injurious.

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Having forced this costly provision on to industrial and commercial occupiers, they are now to be taxed for the privilege? My organisation looks with some scepticism at the Department of Transport's consultation paper when it says "... it is doubtful if (the powers) will be required outside the most congested urban centres..." Local authorities are not likely to cock-snook at additional income, given the powers to collect.

Industry provides the wealth we all so desperately need: can bureaucracy hall its attempt to make it more difficult so to do?
John Peck.
Balk Road,
Slough, Berkshire.

The mobility allowance

From Miss F. Lane Fox, OBE.
Sir—The £7 per week mobility allowance is designed to help severely disabled people to overcome their special problems of transport and travel. Many of us over the age of 65 however, do not receive it because we are not in the chosen age category. Although by the end of 1979 it is to be paid to women up to 60 and men up to 65, at that pensionable age we become permanently disqualified from receiving it.

Has it escaped the notice of the legislators that whereas children can be fitted on and off public transport without much difficulty disabled people who grow older find it becomes physically impossible to be

Rising exchange rate

From the Leader of the Council,
The Royal Borough of Kensington and Chelsea.
Sir—I am greatly encouraged that no less a financial authority than Sir Jeremy Morse has come out in favour (October 20) of allowing the rate to fluctuate freely. It is to be hoped that those who happen to believe that the virulent inflation of the 1970s has been primarily caused by the floating of exchange rates, although aggravated by the oil price and the boom in other commodity prices.

If Lord Barber had controlled his Government's escalating expenditure in mid-1972 instead of taking the soft option of floating the £, I believe that our rate of inflation, despite the subsequent actions of Messrs Healey and Foot, would now be roughly in line with that of our main trading competitors.

The whole point is that the vast bulk of our manufactured goods require many months, if not years, for delivery. A rising exchange rate cheapens prices, so the cost of the raw materials needed to produce those goods. This means that by the time the goods are delivered their cost can be held if the exchange rate has gone up.

Not only that, we still have to import a large amount of raw materials for our consumption. For example fruit, vegetables, wine and other food-stuffs. A rising exchange rate reduces the cost of these items and therefore the cost of living. We still have to import a great deal of oil. I would have thought that cheaper energy and food were vital to our whole cost structure and to wage bargaining.

Obviously, an appreciating exchange rate will tend to encourage the import of finished manufactured goods such as motor cars, which compete directly with our own industrial products. But price is only one determinant when it comes to finished products in the modern world. Already with the present exchange rate German cars are expensive compared to their British counterparts but they are available, better finished and more reliable. People are therefore prepared to pay the extra money for these qualities. Equally, Americans and others are prepared to pay over the odds to buy Scotch whisky, British woollens or other products of our industrial base which are not price sensitive.

It is indeed an economic paradox that a rising exchange rate in this day and age should in fact stimulate export volume rather than the reverse as elementary economic theory would dictate. The plain fact is that the rapid depreciation of the £ over the past 18 months has increased export volume of British goods in proportion. It is also a fact that successive revaluations of the German Mark and the

Japanese Yen have led subsequently to higher export volumes by both those countries. The reason is clear and simple. If the buyers of goods on the international market take the view that a particular currency is going to move upwards then they will order the goods which they require from that country in greater volume now because they know they will have to pay more later. This is one reason why the British bond market has experienced the biggest boom in its history. Foreign buyers of British Gilts are not interested so much in the interest payments which they will receive as in buying our undervalued currency. This is the best way of speculating in sterling and getting a good return on their money to boot.

In sum, I believe that a higher exchange rate will increase rather than diminish our manufacturing base because it will stimulate export volume and thus the more efficient parts of industry.
(Sir) Malby Crofton,
Town Hall, Kensington, W.8.

Discounts for bulk mail

From the managing director,
Brian Holland and Partners.
Sir—The article on direct mail in the Post Office (page 25, October 20) was most interesting, in particular the Post Office has a large outlet in fixed irreducible overheads and that large volumes of mail can be carried for a very small extra cost. This is particularly true during the mornings and early afternoon when the volume of traffic is very low. Our view has always been, that we would like to share with the Post Office, any savings which we can help them to make.

We have repeatedly offered to give bulk mail to the Post Office from first thing in the morning during its slack periods which would have the benefit of relieving pressure later in the day and averaging handling costs. In return we have asked that the Post Office calculate the saving and share this with us. In May and June this year we presented the Post Office with 800,000 pieces of mail, bundled, bagged and sorted for country destination thus saving the Post Office a great deal of cost compared with the cost which would be involved in clearing this volume of mail from pillar boxes and yet we had to pay the same rate as individual letters posted through pillar boxes.

The true size of printing

From the Director,
British Printing Industries Federation.
Sir—Contrary to the impression created by Mr. Rex Winsbury in his article about the printing industry (October 24) general printing is, in fact, among the largest manufacturing industries in the country. Two of Mr. Winsbury's figures need to be multiplied by 1,000 as the industry's sales are approaching £3bn., not £3m., and those of newspapers and periodicals £1.5bn. not £1.5m.
Henry Kendall.
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GENERAL

Parliament returns from Summer Recess and Mr. Denis Healey, Chancellor of the Exchequer, announces package of economic measures to House of Commons.
Labour Party national executive meets.
TUC General Council meets.
Two-day pithead ballot of miners workers due to begin on production incentive scheme.

European Parliament ends two-day session on EEC Budget, Luxembourg.
The Queen and Duke of Edinburgh visit Virgin Islands.
Mr. Morarji Desai, Indian Prime Minister, ends six-day visit to Soviet Union.

To-day's Events

St. Lawrence Jewry, next Guildhall, EC2, 1.15 p.m.
European Congress of Postal, Telegraph and Telephone International continues, Connaught Rooms, WC2.
British Fashion Fair opens, National Exhibition Centre, Birmingham (until October 28).
City of London Police security exhibition continues, Old Library, Guildhall, EC2 (10 a.m. to 3.30 p.m.).
OFFICIAL STATISTICS
Bricks and cement production (September).
COMPANY RESULTS
Gill and Duffus Group (half-year), Spillers (half-year), Telephone Rentals (half-year).

COMPANY MEETINGS

Associated Dairies, Leeds, 2.30.
Crosby House, 14, Nicholas Lane, EC, 12, Excalibur Jewellery, Birmingham, 12, F. and F. Eurotrust, 1-2, Laurence Pountney Hill, EC, 12-30, Linford, Winchester House, EC, 10-30 Walker (James) Goldsmith and Silversmith, Century House, Streatham, SW12.

OPERA

Royal Opera perform Tosca, Covent Garden, WC2, 7.30 p.m.
English National Opera production of The Tales of Hoffmann, Coliseum Theatre, WC2, 7.30 p.m.
SPURT
Tennis: Sluzemur tournament continues, Southampton (9 a.m.).

Bank of Boston House, 5 Cheapside, E.C.2.

Bank of Boston House, 5 Cheapside, E.C.2. We've spent 55 years in the City, building an organisation to cater for the toughest judge of all: the financial professional. That's why The First National Bank of Boston's 15 account officers prefer long instead of short-term relationships. Why, on average, they stay with their accounts longer than their counterparts at other banks. Why we have an exchange specialist based on the dealing floor devoted exclusively to keeping corporate customers abreast of developments. Why our two hundred people in London aim at the highest standards (if you give the best service, you've got the best bank). And it works. Our twelve dealers have put us among the top banks in making markets in all major trading currencies. And six out of the top ten companies in the prestigious 'The Times One Thousand' are our customers. Do you put a premium on service too? We look forward to meeting you.

Boston. The bank for financial professionals.

Bank of Boston House, 5 Cheapside, London EC2 2DF (Tel: 01-236 2388). Also at 31 Lowndes Street, Belgravia, London SW1X 9HX (Tel: 01-235 9510). ARGENTINA, AUSTRALIA, BANARAS, BOLIVIA, BRAZIL, CHINA, ISLANDS, COSTA RICA, DOMINICAN REPUBLIC, FRANCE, GERMANY, HAITI, HONG KONG, IRELAND, JAPAN, LIBERIA, LUXEMBOURG, MEXICO, PANAMA, SINGAPORE, SPAIN, U.K., U.S.A., URUGUAY, VENEZUELA.

Management and unions

From Viscount Trenchard
Sir—Your Lombard column (October 24) is headed "Unions: a message is relevant." This is a message of course, correct as Geoffrey Owen's view that any other factors are involved efficiency is, of course, correct.

It is a fact, however, that we have less structured and somewhat more fast-and-loose collective bargaining arrangements than any other country, and it should not be brushed on the side. Neither should calls for reform in this area be called non-bashing.

I have had long direct experience of companies in the same industries in this and other European countries and in North America. I have known good and bad managements in all of them. Even a potentially good management can appear inept, however, and indeed become worse in the face of industrial anarchy.

If management has to negotiate ceaselessly with many unions and many local stewards on any subjects, it can be heavily overburdened and more efficient systems. A good manager will manage to keep 20 per cent of his time clear on routine and normal duties change things and improve efficiency. This time and much more can be spent on more important if labour relations are in a hand.

This country experienced the industrial revolution first, made a few mistakes and thereafter over-compensated by exempting trade unions and workers from almost all law. If there were no law against robbery, it would not all become thieves, it robbery would I think cease.

Major reforms

The difficulties in the absence of a system become much greater when labour is employed on a large scale, and this in my opinion is why we have remarked that "British Leyland is too big to be broken up" where, indeed, it is now a small company compared with American, Japanese and other motor companies.

If these large-scale industries with competitors abroad, we need major reforms in our systems of collective bargaining. It is in this area of industry that the differences of systems are greatest, and while there are the differences Geoffrey Owen's view is in my view contribute to the solution of our problems sweeping the trade union problems under the carpet.

Take but a few of the differences in Germany: 16 major unions, nearly always one per company, no political motivation, no action allowed, sympathy strikes almost impossible, products and ballot before, no closed shop, regulated democratic secret procedures for any things including elections, articulation and commitment to the prosperity of the firms encouraged by law and enforceability of agreements.

Of course, good British management and responsible trade union leaders can and have got over our disadvantages in this area but it gets harder and harder in the areas of very large-scale labour employment, of these so many are now in the public sector of our economy. Major reforms can be achieved by the adoption of a German law. Quicker and better results could flow from such

Letters to the Editor

actions and the amendment of some laws. Restoring incentives to management as an aid to industry management is probably equally important but is another subject.
Trenchard.
Abdale House, North Mymsms, Hatfield, Herts.

Freedom of speech

From Mr. F. Blick.
Sir—Dicey said that freedom of speech was in England little else than the right to write and say anything which a jury consisting of 12 shopkeepers think expedient should be said or written.

Judging by their reported applause and laughter, the senior store executives of the Twenties Club found Sir Richard Dobson's words both expedient and entertaining.
Why then resign? Because we are now a nation of politicians not shopkeepers.
Fred Blick.
"Long Meadow,"
Lewatide,
Dunston, Stafford.

Another penalty for industry

From the Director,
Slough and District Chamber of Commerce and Industry.
Sir—We are becoming so punch-drunk with legislation that, inevitably, obscure clauses in White Papers are overlooked, although their implementation can be injurious.

The new White Paper on Transport Policy (Command 6838) includes the proposal that county councils should be given powers to tax private non-registered parking spaces. What is not stated is that for some years now planning consents have only been given on condition that scale car-parking provision is made at the developer's expense.

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NS
Raising £9m
jump seen

H. & C. ahead but warns on second half

WITH investment income at an exceptional £1.47m, compared with £0.42m, pre-tax profits of Harrison and Crosfield advanced from £10.54m to £12.56m for the first half of 1977.

glass and other building materials £4,052 (£4,543 and £9,645); and financial transactions £228 (£168 and £895).

comment

• comment

However, the directors warn that the immediate outlook for the group's timber interests is less favourable and mainly for this reason second half profits are unlikely to match last year's £12.63m.

Investment income for the first half includes the special dividends of £1.47m from the Golden Pine, London Asiatic Rubber and Produce Company and Pataling Rubber Estates in the terms of their merger to form Harrison.

Glensia Investments, of which the company owned 23 per cent, has been voluntarily wound up and the assets have been distributed to shareholders. As a result, the company has received a portfolio of quoted North American stocks to the value of £1.2m.

Kwik-Fit doubled halfway

ON TURNOVER ahead from £1.33m to £1.51m, profits of Kwik-Fit (Tyres and Exhausts) Holdings, more than doubled from £210,544 to £445,016 for the half year to August 31, 1977.

AFTER RISING from £1.03m to £1.08m in the first half pre-tax profits of Bryant Holdings finished the year to May 31, 1977 ahead from £2.38m to £2.66m on turnover of £6.5m against £6m.

Mr. A. C. Bryant, the chairman, says the results have been assisted by the group's proportion of the full year's profit from the investment in Concrete.

Zochonis held at £18m. by forced Nigerian sale

and Son and the chairman together with other defendants. The summonses allege a conspiracy to corrupt and corruption. The company, its subsidiary and the other defendants have been committed for trial but the date has not yet been fixed.

REFLECTING A reduction to associate company status of its Nigerian operations and the acquisition of Odex Raccan and Minerva SA, taxable profit of Paterson Zochonis and Co. eased from £1.1m to £15.27m in the year to May 31, 1977.

Final dividend per 10p share of 6.070p compares with 2.24p last year and takes the total payout to 7p against 205p.

Small rise so far at J. Haggas

ON REDUCED group sales of £4.15m against £4.32m, pre-tax profits of worsted spinners John Haggas marginally improved from £612,000 to £644,000 for the three months to September 30, 1977.

For all 1976 the company achieved a record £3.21m surplus and paid dividends for all years, not before the four-for-one scrip issue.

Yorkshire General bonus up

The Yorkshire-General Life Assurance Company, the life company within the General Accident Group, has increased its terminal bonus rate on with-profit contracts only one month after the previous increase.

Tending conditions are tough in many areas of the business, say the directors, with lack of demand leading to the usual freeze-outletting for so long a feature of the textile industry.

Atlantic Assets well placed

The investments that are held by Atlantic Assets Trust which the company in 1968, stand in the future, says the chairman, Mr. John V. Sheffield, who in his statement with accounts, looks forward to further satisfactory results.

Staffs. Potteries sees advance

FROM ITS capital investment programme Staffordshire Potteries (Holdings) will have the production resources to follow through and sustain world-wide sales, and the directors look forward to another year of progress, Mr. C. W. Bowers, the chairman, tells members.

Marginal rise at R. & A. G. Crossland

Manufacturers of electric lighting equipment R. & A. G. Crossland reports a marginal rise in pre-tax profits from £231,690 to £263,925 for the first half of 1977 on turnover of £2.35m.

Campbell & Isherwood better so far

Announcing first half pre-tax profit marginally ahead at £273,000 to £287,000 the directors of electrical engineers Campbell and Isherwood forecast a continuing increase profit trend for the second six months of 1977.

M. P. Kent optimistic

Mr. M. P. Kent, the chairman of M. P. Kent, property developers, says in his annual statement that in the present circumstances forecasting is extremely difficult but it is hoped

Public Works Loan Board rates

Table with 5 columns: Years, Quota loans repaid, Non-quota loans A* repaid, etc. Effective from October 22.

Money Market

Exceptional assistance

Bank of England Minimum Lending Rate 5 per cent. (since October 14, 1977) Day-to-day credit was in short supply again in the London money market yesterday, and the authorities gave an exceptionally large amount of assistance by buying an extremely large number of Treasury bills from the discount houses, and a small amount of local authority bills.

four or five houses, at Minimum Lending Rate of 5 per cent. Banks carried forward large surplus balances, but this was outweighed by a net market take-up of Treasury bills, an increase in the note circulation, the residue of the call on 91 per cent. Treasury 1983, settlement of kil-edged sales, repayment of the previous day's market advances, and the major factor, which was a very large excess of revenue payments to the Exchequer over

Government disbursements. Discount houses paid 41-41 per cent. for secured call loans in the early part, and closing rates were also in the region of 41 per cent., although some balances were taken at around 4 per cent. In the interbank market overnight loans opened at 41-41 per cent., and touched 8-10 per cent. in places, before closing at 41-51 per cent.

Rates in the table below are nominal in some cases.

Local authorities and finance houses notice others seven days fixed, otherwise 10 days per cent. Five years also are buying rate for prime rates. Borrowing rates for four-month bank bills 41 per cent. Two-month 41-41 per cent. and three-month 41-41 per cent.

Which of the three largest construction companies in the UK has over half its assets in building materials and natural resources?

Tarmac advertisement with logo and text: Some companies are big in construction. Others are big in building materials and natural resources. Tarmac is big in both. Every day we work on as many as 700 building and civil engineering contracts in the United Kingdom and around the world.

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Widely lower on economic news £ at new high

BY OUR WALL STREET CORRESPONDENT

A SHARP DECLINE in U.S. interest rates... The common index finished 38 points lower at 349.86, after touching 354.25...

Union Pacific, on forecasting a smaller improvement in the fourth quarter... General Motors headed the active list and rose \$1 to \$69 on news of a 6.8 per cent rise in car sales...

STERLING rose to its highest level against the U.S. dollar since the beginning of September last year... HONG KONG - Generally weaker on overseas selling pressure...

Deutsche Mark Gold fell 5/8 in \$1623.1631... The D-mark gained ground initially following the announcement of West Germany's trade surplus in September...

Table with columns for various currencies and their exchange rates against the dollar.

USDA'S ACTIVE STOCKS

Table listing active stocks in the US, including General Motors, Ford, and others.

OTHER MARKETS

Canada also weaker Further widespread falls sustained on Canadian Stock Markets yesterday in active business...

NEW YORK, Oct. 25

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FOREIGN EXCHANGES

Table showing foreign exchange rates for various countries like Australia, Brazil, and others.

Indices

Table showing various stock indices like Dow Jones, S&P 500, and others.

NEW YORK - DOW JONES

Table showing the Dow Jones index performance over time.

MONTEREAL

Table showing stock market performance in Montreal.

TOBACCO

Table showing tobacco market data and prices.

JOHANNESBURG

Table showing stock market performance in Johannesburg.

STANDARD AND POORE

Table showing Standard and Poore's index performance.

AMSTERDAM

Table showing stock market performance in Amsterdam.

BRUSSELS/LUXEMBOURG

Table showing stock market performance in Brussels and Luxembourg.

TOKYO

Table showing stock market performance in Tokyo.

AUSTRALIA

Table showing stock market performance in Australia.

OVERSEAS SHARE INFORMATION

Large table providing detailed share information for various international companies, including names, prices, and changes.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Babcock test case for Spanish government

BY ROBERT GRAHAM

MADRID, Oct. 25. BABCOCK AND WILCOX Esp...

panies that are being particularly hard hit by the declining level of domestic demand and increased overheads.

who are apparently its main creditors. The rationalisation under consideration is to hire out the troubled steel interests of the company and retain the capital equipment side.

Montefibre troubles continue

BY DOMINICK J. COYLE

ROME, Oct. 25. MONTEDISON'S loss-making synthetic fibres subsidiary...

Rome suggested that these losses would not now take place pending what has been presented as yet another review of the industrial and financial structure of the troubled Montefibre organisation.

1972-77, company sales had risen by only 75 per cent. To be set against the Treasury's authorisation for a L96.6bn. increase in Montefibre's share capital, Montedison sources said that the parent company, in anticipation of the Government's decision, had already advanced its subsidiary some L78bn. so far this year.

Nestle sales well ahead

By David Egan

GENEVA, Oct. 25. AN INCREASE of 15.5 per cent in the consolidated turnover of Nestle, the Swiss-based food concern, is reported for the first eight months of this year.

Turnover on instant drinks and other liquids rose by more than 29 per cent, chocolates and sweets were up by nearly 15 per cent, while baby and diabetic product sales were up by more than 15 per cent.

Operating profits, it was indicated, will be subject to the influence of stock depreciation that companies in the group may have to undertake in the wake of the decline in raw materials prices.

Setbacks for steel industry

BY STEWART FLEMING

UNITED STATES STEEL, the higher than the company steel-maker. National's third quarter net income plunged 84 per cent from \$29.4m. (\$1.55 a share) to \$13.6m. (71 cents a share) in the third quarter of 1977.

The company said that the third quarter was severely hit by wildcat strikes in the coal mines and the strike in the company's Minnesota ore operations since August 1, 1977.

Earnings per share for the first nine months of 1977, fully diluted, are \$1.53 against \$3.97 in the same period of last year.

Mr. William Verity chairman of Arco Steel, the nation's sixth largest steel producer, reported a decline in third quarter profit and a sharper fall for the first nine months of the year.

The figures were worse than some share analysts were anticipating. Mr. David Healey, chief of the stockbrokers Drexel Burnham Lambert, said the figures disclosed signs of "real weakness."

An even more depressing profits statement was issued by National Steel, the third largest and

dumping steel wire strand in pre-stressed concrete. Arco's chairman said way to get the Government act is to file such suits. At the same time, however, he believes that President Carter is interested and willing to act against the dumping of steel products.

By contrast, Mr. Stinson of National Steel said that the great bulk of the company's sharp earnings decline reflected "illegal" strikes at the company's coal and iron ore mines and a sharp increase in steel imports.

Ohio: Arco is putting together a list of steel products and of companies in foreign countries, and will evaluate very shortly evidence concerning steel dumping that may lead to additional dumping complaints by the company.

Table with financial data for SHELL OIL CO. Third Quarter 1977. Net profits 202m, Revenue 7.0bn, Net per share 3.30.

Table with financial data for SHELL CANADA. Third Quarter 1977. Net profits 32.3m, Revenue 1.71bn, Net per share 1.09.

Table with financial data for CONSOL EDISON OF N.Y. Third Quarter 1977. Net profits 107.91m, Revenue 3.20bn, Net per share 1.57.

Table with financial data for GOODYEAR TIRE & RUBBER. Third Quarter 1977. Net profits 33.9m, Revenue 1.62bn, Net per share 0.97.

Table with financial data for EASTERN AIRLINES. Third Quarter 1977. Net profits 494m, Revenue 4.93bn, Net per share 2.36.

SGI seeks finance for October salaries

ROME, Oct. 25. GENERALE IMMOBILIARE Sogeme SPA is seeking banking finance for its October salary payments, pending a long-awaited decision from the Government on plans for its financial rescue, banking sources said, reports Reuters.

As of June 30, the firm had banking debts of L205.5bn, according to company figures provided to the board commission (COMSOB).

Immobiliare said that its first-half 1977 loss was reduced to L10.3bn, from L16.3bn. last year.

Market giving ground

BY FRANCIS GHILES

THE DEUTSCHEMARK sector of the market shed one-quarter to three-quarters of a point yesterday as investors shied away from the below 6 per cent.

Reynolds Ltd. Joint lead means to be Deutsche Bank and Dresdner Bank.

In the dollar sector, trading was active yesterday, but sellers remained the heavier party, with the result that prices drifted one-

Table with Bond Trade Index. Medium term 101.52, Long term 94.70, Convertible 106.81.

SELECTED EURODOLLAR BOND PRICES

Table with columns for STRAIGHT, DM BONDS, FLOATING RATE NOTES, CONVERTIBLES. Lists various bond types and prices.

Linde relies on order book

BY GUY HAWTIN

LINDE, the Wiesbaden-based engineering, plant and construction group, has felt the draught this year. The technical gases sector has been hit by stagnating demand for the first time in 10 years.

concern's figures, while parent group's home sales total showed an even more spectacular 18.2 per cent. increase.

them to offset their dividend income and the tax they pay on it against their normal income tax.

This year, contrary to recent experience, growth took place at home. In the opening three quarters domestic turnover rose by 13.7 per cent, according to the

concern's overseas sales, on the other hand, rose by meagre 2.1 per cent, while the parent's exports declined by 1.3 per cent.

of the group—in line with all other West German concerns—reduces its cash dividend from last year's DM9 per DM50 nominal share to DM6.50, their earnings will equal those of DM10 per share under the old system.

ITT in France. ITT of the U.S. has received the go-ahead from the French authorities to take control of the French company Bouyer, the country's leading manufacturer of telephone distributors.

Advertisement for ENDASA EMPRESA NACIONAL DEL ALUMINIO, S. A. U.S. \$ 20,000,000 5 year floating rate loan. Managed by BANCO DE BILBAO. Bankers Trust International Limited, Dillon, Read Overseas Corporation, First International Bankshares Limited, Wobaco Investments Ltd. Provided by Banco de Bilbao, Banque Nationale de Paris, BHE-Bank Grand Cayman Branch, Credit Lyonnais, First International Bankshares Limited, Girard Trust Bank, Hypobank International, S.A., PKBanken International (Luxembourg) S.A., World Banking Corporation - Wobaco.

Advertisement for The Taiyo Kobe Bank Ltd. Negotiable Floating Rate U.S. Dollar Certificates of Deposit. Series B - Maturity date 28 October 1980. In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the initial six month interest period from 26 October 1977 to 26 April 1978 the Certificates will carry an Interest Rate of 7 3/4 per annum. Agent Bank: The Chase Manhattan Bank, N.A., London.

Advertisement for TRANS OCEAN RO-RO CORPORATION. USS 21,000,000 Seven Year Loan. Managed by B.A.I.I. (MIDDLE EAST) INC. Kuwait Financial Centre S.A.K. Provided by B.A.I.I. (MIDDLE EAST) INC., CITIBANK N.A., AL SAUDI BANQUE, ARINFI LIMITED, THE COMMERCIAL BANK OF KUWAIT S.A.K., INDUSTRIAL BANK OF KUWAIT S.A.K., KUWAIT FINANCIAL CENTRE S.A.K., MARINE MIDLAND BANK, MIDLAND BANK LIMITED, UNION DE BANQUES ARABES ET FRANCAISES - U.B.A.F. (BAHRAIN BRANCH), MARINE MIDLAND BANK.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

CONTAINER LEASING

Rivals for the top

BY JOHN WYLES, IN NEW YORK

STEAD of advising the young... in plastics, the solemn... "The Graduate" might... done the herd a better... vice by whispering the words... container leasing.

containers to its fleet while Sea Containers says it will have put more than \$100m. in adding close to 27,000 containers and chassis to its complement which will be around 107,000 at year-end, compared to CTI's 150,000.

Containers, as we all know, revolutionised cargo... and international sea... side over the past 10 years... 40 feet long steel boxes... to help speed the trans-... of goods. Improve the... economics of shipping and con-... a basic transport costs that... stainer services now operate... virtually all of the world's... for sea routes. For many... ping companies, acquiring... steel box has been at the... end of huge investment... programmes on purpose-built... sets costing up to \$45m.

SEA CONTAINERS' president Mr. James B. Sherwood told a meeting of financial analysts in New York that 1977 earnings and capital expenditure estimates for the Group are on target and that the early estimate for 1978 capital expenditures was \$185m.

Furthermore, because of a mandatory accounting adjustment net income for the first half of the year has been restated to become \$11.3m. (\$1.50 per share) compared with \$10.7m. (\$1.42 per share) reported earlier. Third quarter results will be announced during the first half of November.

was a little surprising. "We thought that 1977 would be a good year and that there would come a stage when CTI's profits would really lift off and so far we could not have hoped for... better," adds Mr. Smith, whose company is now confident that it will double last year's pre-tax earnings of \$10.4m.

Apart from offering the flexibility to cope with the cyclical demands for cargo space, leasing has important financial and operational attractions for ship-owners. In the first place it removes a formidable requirement for capital. CTI estimates that on present values, equipping three medium sized container ships with a capacity of 1,000 units each could amount to more than \$20m. If the vessels were used on the North Atlantic with leased containers, the projected saving would be more than \$2m a year, partly due to the elimination of debt service payments and partly because of the terms of a CTI speciality, The Master Lease.

This particular agreement, which this year accounts for 50 per cent of CTI's business, takes care of the repositioning problem of containers made redundant through trade imbalances. Some two-thirds of its revenues come from container leasing and its aggressive marketing confirms the impression that it intends to challenge CTI hard for the number one slot.

MEDIUM TERM CREDITS

Bankers favour longer dates

BY FRANCIS GHILES

SOME BANKS, which are concerned at the extent to which spreads over Libor have been falling of late, are trying to convince their clients that lengthening maturities might be a good idea rather than pushing for the finest spreads over Libor possible. This seems to be what has happened with the latest French loan, \$30m, for ten years for CDF Chimie, the chemical arm of the state coal company, Charbonnages de France.

The loan carries a split spread: 3 per cent for the first five years rising to 1 per cent for the last five. There is no Republic of France guarantee for this credit which is led by Societe Generale.

Another ten year credit is the \$100m. loan for the African Development Bank which is led by Citicorp International Group. The spread over Libor is 1 1/2 per cent for the first five years, rising to 1 1/4 per cent for the following two and 1 1/2 per cent for the last three. The length of the maturity in this case was agreed to at the borrower's request.

Indeed, many banks still have on their books long term loans, agreed in the early Seventies at low spreads which they would like to renegotiate. At least shorter term maturities allow for renegotiation. Other banks argue that they still prefer to get a higher return on longer maturities. Hobson's choice really.

Rights issue for IDB

BY L. DANIEL

ISRAEL DISCOUNT BANK Bankholding Corporation will hold an extraordinary meeting on November 15 to increase its registered capital from IEL1.15bn. (some \$US115m.) to IEL2bn. (just over \$US200m.) following the publication of the bank's balance sheet for End-June, which showed an 16 per cent rise over December 31, 1976, to \$US1.43bn.

The bank—the country's third largest—intends to enlarge its capital base by \$US.45m. of \$US.75m. by creating 45m. new shares of IEL0 each and also intends to make a rights issue.

The capital expansion is to be achieved by the creation of 42.5m. ordinary shares of face value of IEL20 (\$US2), while a further IEL300m. is to be raised by a public issue and a rights issue.

Chem. and Fertilisers upswing

BY OUR OWN CORRESPONDENT

CHEMICALS AND Fertilisers of Haifa, a part of the Israel Chemicals Group, reports that its plants produced at full capacity during the past fiscal year with the result that exports, in real terms, increased by more than 60 per cent to \$6.5m. while after-tax earnings rose by 17 per cent to just under \$1m.

However as in 1975-76, no dividend has been declared. Nevertheless, trading in the company's shares has been very active, the turnover in the first nine months of 1977 having come to treble the aggregate trading volume on the four-year period 1972-76.

Better forecast for Sime Darby

SINGAPORE, Oct. 25.

SIME DARBY Holdings Chairman Tan Siew Sin said group results for the current year should show an improvement over the year ended last June 30.

Pertamina in deal with Conoco

JAKARTA, Oct. 25.

THE INDONESIA oil company Pertamina has signed a contract with the American Continental Oil Company (Conoco) for oil exploration in the Indonesian province of Irian Jaya, Reuter reports.

Malayan Banking rise

KUALA LUMPUR, Oct. 25.

GROUP NET PROFIT of Malayan Banking was 16.5m. ringgits (12.5m. ringgits) for the year ended June 30, Reuter reports. Parent company net profit was 15.12m. ringgits (13.41m. ringgits).

Ampol Exploration

UNAUDITED NET operating profit of Ampol Exploration for the year to September 30 rose from \$A3.3m. to \$A3.6m.

AUSTRALIAN COMPANIES

Westralian bid for CSBP

BY JAMES FORTH

SYDNEY, Oct. 25.

THE WESTRALIAN Farmers' Co-operative Limited has come up with a \$A60m. takeover bid for one of the largest in Australian corporate history—to acquire the state's only fertiliser group, CSBP and Farmers Limited. The deal was put together over eight months by Westfarmers' directors and the merchant bank, Hill Samuel Australia, which is financing Westfarmers, CSBP and Farmers dates back to 1910 when Cumming Smith, which is now an investor in fertiliser companies, joined with Mount Lyell Mining and Railway Company, to build a fertiliser works near Perth.

Company of Australia SA20m. cash each for their one-third interests in CSBP and Farmers, which they calculate is a 45 per cent premium of the "market" value of the company (CSBP is listed).

Trans-Australia Airlines soars

THE GOVERNMENT-OWNED domestic airline, Trans-Australia Airlines, had a 193 per cent increase in its after-tax operating profit to \$A8.97m. (24.46m.) according to the annual report presented in Parliament today, reports Kenneth Randall from Canberra.

Revenue was up 10 per cent, to \$A254.5m. (1150m.), and the tax bill was only marginally higher at \$A2.53m. (11.82m.). TAA said the main reasons for its improved results were the Government's income tax investment allowance for new plant and equipment and the exercise of strict control over costs and the effective application of air-traffic capacity necessary to meet demand.

South Atlantic steady

BY RICHARD ROLFE

JOHANNESBURG, Oct. 25.

SOUTH ATLANTIC CORPORATION, one of the key holding companies in the Anelzwaal group, with interests mainly in trawling and food, raised turnover strongly from R205m. to R262m. in the year to June 30, but taxed profit was little changed, R0.3m. up to R7.5m.

The rise in turnover, plus some expenditure on fixed assets, recession and "extremely difficult conditions being encountered" by all operating subsidiaries. He says that the time is fast approaching when, despite the possibilities of further inflation, the Government must give serious consideration to some stimulation of the economy. Last year's results would have been better but for poor profits from Irvin and Johnson, which accounted for R145m. of turnover but only R17m. of taxed profit, against R4.8m. the pre-virus year. The decline, due to poor fish catches and low yields from the company's vegetable processing plant, offset gains elsewhere in the group, notably by tea and coffee distributors T. W. Beckert.

This announcement appears as a matter of record only



Saudi Rials 150,000,000

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ARAB FINANCE CORPORATION S.A./AL SAUDI BANQUE

KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.)

BANK AL JAZIRA

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ARAB FINANCE CORPORATION S.A./AL SAUDI BANQUE

THE ARAB INVESTMENT COMPANY S.A.A. (RIYADH)

THE NATIONAL BANK OF KUWAIT S.A.K.

THE NATIONAL COMMERCIAL BANK (SAUDI ARABIA)

UNION DE BANQUES ARABES ET EUROPEENNES-L.B.A.E. (Societe Anonyme)

New Zealand to ban Japanese fishermen

NEW ZEALAND will ban Japanese fishing boats from its 200-mile zone after April. Prime Minister Mr. Robert Muldoon said today.

Barents Sea fishing pact

RUSSIA AND Norway have divided between Russia and agreed on Barents Sea fish quotas Norway.

Campaign to boost U.K. tea demand

A MAJOR three-year campaign to boost tea sales in Britain is to be launched by the Tea Council starting on November 1.

Sales ban boosts coffee

THE BAN by Central American "other milks" coffee producers on shipments of coffee "until prices improve" boosted prices on the London market for the second day running yesterday.

EEC fish talks end in dispute

BRUSSELS, Oct. 22. COMMON MARKET talks aimed at extending a conservation ban on fishing off Scotland's north-east coast ended in disagreement this evening, reviving the near-certain prospect of the ban being imposed unilaterally by the Government until the end of the year.

COMMON AGRICULTURAL POLICY Reforming the beef regime

THE NEED to reform the EEC's Common Agricultural Policy is a familiar slogan in every British politician's vocabulary. But contrary to the wishful thinking, reform will never mean a sudden overnight transformation.

U.K. meat prices cheaper

Beef is cheaper now than it has been since the peak prices reached last November and, more, mutton and lamb according to Mr. Colin Cullis, director of Dewhurst, announcing the master butcher of the year awards yesterday.

Grain stocks 'will fall to 177m. tonnes'

THE U.N. Food and Agriculture Organisation has reduced its forecast for world grain stocks to 177 million tonnes by the end of the 1977-78 season.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Copper, Tin, Lead, Zinc, and other metals, listing prices and changes.

COFFEE

Table listing coffee prices for various grades and origins, including Arabica and Robusta.

SOYABEAN MEAL

Table listing soyabean meal prices for different grades and origins.

PRICE CHANGES

Table showing price changes for various commodities like oil, wheat, and sugar.

I. G. Index Limited 01-331 3466

- 1. Tax-free trading on commodity futures
2. The commodity futures market for the smaller investor

CANADIAN COMPANY

Producing specialty papers, privately owned, established in 1954, 23 years record of profits and expansion, \$15 million sales, coast to coast.

ENGINEERING COMPANY WANTED

A substantial turnover in established products with profitability is looked for, but any serious proposal will be carefully considered.

ENGINEERING VALVE BUSINESS FOR SALE

Following rationalisation of its products a large engineering valve business wishes to dispose of its long-established engineering valve activities as a going concern to a purchaser with under-utilised manufacturing capacity.

PUBLIC NOTICES

- BAINESLEY BOROUGH COUNCIL
BEDFORDSHIRE COUNTY COUNCIL
EAST SUSSEX COUNTY COUNCIL
KNOWSLY DISTRICT COUNCIL

SILVER

Table listing silver prices for various grades and origins.

GRAINS

Table listing grain prices for wheat, barley, and other cereals.

WHEAT

Table listing wheat prices for different grades and origins.

COCOA

Table listing cocoa prices for various grades and origins.

JUTE

Table listing jute prices for different grades and origins.

CLUBS

- Various notices and advertisements for clubs and organizations.

NICKEL DUMPER

LEGAL THREAT
Canada is studying the ability of legal action under General Agreement on Trade and Commerce (GATT)

U.S. Markets

NEW YORK, Oct. 22. (AP) - Cotton futures contracts were up 1/8 cent to 32 1/2 cents per pound on Oct. 22.

MEAT/FUTURES

Table listing meat futures prices for beef, lamb, and pork.

WOOL FUTURES

Table listing wool futures prices for different grades and origins.

MEAT/VEGETABLES

Table listing meat and vegetable prices for various items.

FINANCIAL TIMES

Table listing financial data and indices.

REUTERS

Table listing Reuters news and market data.

INDIA'S PROPOSAL

INDIA'S PROPOSAL for establishing an international organization for coir fibre aimed at safeguarding producing countries from world market fluctuations has been accepted by United.

REUTERS

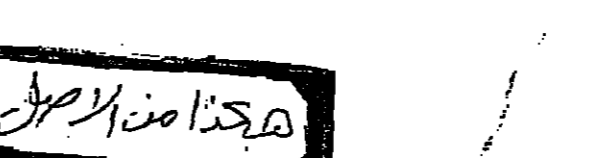
Table listing Reuters news and market data.

MOODY'S

Table listing Moody's credit ratings and financial data.

GRINSEY FISH

GRINSEY FISH - Supply moderate, demand low. Prices at mill's side up 20-25 cents.



**GENERAL MINING GROUP
THE GRIQUALAND EXPLORATION
AND FINANCE COMPANY LIMITED**

(Incorporated in the Republic of South Africa)
REPORT FOR THE QUARTER ENDED
30 SEPTEMBER 1977
UNAUDITED CONSOLIDATED RESULTS OF THE GROUP

	Quarter ended 30.9.77	Quarter ended 30.6.77	Financial year to date 30.9.77	Previous financial year to date 30.9.76
Operating results				
Development—metres	1,580	1,254	4,032	2,199
Ore milled—tons	198,000	200,000	566,000	346,000
Fibre produced—tons	20,506	18,124	55,827	40,280
Percentage fibre recovered	10.4	9.1	9.9	11.6
Revenue per ton	R532.0	R518.9	R522.1	R420.2
Production costs per ton	R233.9	R235.7	R232.7	R222.9
Selling costs per ton	R96.3	R91.3	R91.5	R65.8
Financial results				
Operating profit	R'000 3,100	R'000 4,001	R'000 9,850	R'000 5,604
Profit after tax from non-mining subsidiaries	168	100	409	412
	3,268	4,101	10,089	6,006
Add: Interest received—net	92	106	250	115
Profit before taxation	3,360	4,207	10,339	6,121
Provision for taxation	856	917	2,501	1,258
Net profit after taxation	2,504	3,290	7,838	4,863
Capital expenditure				
Prospecting expenditure	1,324	634	2,522	2,769
Loan levy	88	156	338	155

Consolidated results are given, as information relating to the company only could be misleading.

Financial results are based on actual fibre shipments which vary from month to month and do not necessarily bear a pro-rata relationship to production and sales for the year. Operating results relate to the activities of group mines only, while financial results reflect sales of fibre from group mines as well as sales of other producers.

Interim dividend No. 52 of 24 cents per share was paid on 18 August 1977.

On behalf of the Board
C. H. WALTERS
L. K. JOOSTE Directors

Registered Office:
5 Holland Street,
Johannesburg 2001.
October 1977

The problems of pesticides

By KEVIN DONE, Chemicals Correspondent

THE CHEMICAL industry is searching long and hard for ways of counteracting the growing impact of Government legislation on its affairs—arousing suspicion among environmentalists and ecologists. Many sectors of the industry have been vocal in their condemnation of what they see as the unreasonable demands of health and safety authorities and have claimed that research is being stunted by the need to channel investment into the often unnecessary and unproductive work of product registration. But behind the war of words the industry is increasingly finding the opportunity to sit down with Government and supranational bodies such as the EEC and the UN, to try to work out a joint approach to its problems.

This week in Rome it is the turn of the pesticides manufacturers to try to turn the tide in their favour, or at least to hold back what they see as further damage being done to their industry.

According to Mr. John Smith, the general manager of Shell International Chemical's agrochemicals division, it now takes around seven years and \$17-\$20m. in research and development expenses to bring a new pesticide from the test tube to the farmer's spray tank. The investment in a manufacturing

plant could cost a further \$20-\$40m. "This investment can be virtually negated overnight if, following the introduction of a product, an unforeseen toxicological or environmental problem develops, which results in withdrawal or severe curtailment of its registration status."

Public concern at the tragic failures of the chemical industry to discover fully the range of side-effects of particular products has led to increasingly tight control over the industry's activities. But those failures will not be a point at issue in Rome. What the conference sponsored by the Food and Agriculture Organisation and the World Health Organisation will be discussing is how countries can standardise the way research work is carried out so that costly duplication is avoided.

Rising costs

Pesticides must sell in a range of countries to provide a feasible investment, but the growing disparities in the data demanded by different countries, were seen to be increasing the costs of new pesticides and to be holding back the introduction of new products.

The meeting in Rome this week provides the first forum in which the industry's international association, GIFAP (Groupement International des Associations Nationales de Fabricants de Pesticides), can put to governments a detailed case for the standardisation of pesticide registration requirements.

that practised in the U.K. By this method a pesticide is first given trial clearance, then provisional clearance and finally commercial clearance.

Damaged birds

The stakes are high. Since 1960 the world market for pesticides has grown more than six-fold from \$1.1bn. to \$7.0bn. last year. But the industry's inherent growth has slowed and there is increasing evidence of a sharp decline in its rate of innovation. A spate of rationalisations and mergers is under way in a field that is dominated by such multinational companies as Shell, Bayer and CIBA-Geigy. Several companies have pointed out that agrochemicals is becoming an increasingly unattractive sector in which to invest, and there have been some dire warnings of the effects of tightening legislation on the industry, particularly from Dow Chemical.

It has estimated that when the Federal Insecticide, Fungicide and Rodenticide Act was introduced in the U.S., for example, it cost the company an additional \$7m. in costs and \$17m. in lost sales. In Imperial Chemical Industries' Plant Protection Division more than 100 researchers of a staff totalling 6-700 are working exclusively on meeting the requirements of the regulatory authorities.

In Rome the industry will not be seeking to standardise worldwide pesticide regulations themselves, but only the data which is generated to form a base for individual countries' rules.

The cost-benefit relationship is clearly a local decision depending on local conditions, but the industry has become concerned that in the rush to establish regulatory controls, some countries are going for systems which bear little relation to their circumstances. In some cases strict legislation has been passed, but the country has lacked the necessary laboratories in which to carry out the newly stipulated research.

The Rome meeting has before it, perhaps in an obscure form, matters of vital world importance. According to the FAO 1.5bn. people still suffer from hunger or malnutrition and a third of them are at or near starvation level. Yet more than a third of the potential world harvest is destroyed every year by pests, plant diseases and weeds, an annual loss of more than \$75bn. (equivalent to the value of the world grain harvest —at producer prices—plus the world potato crop). Agrochemicals are one of the major keys to producing potential crop yields. But it is becoming clear that the industry's growth and the innovation of improved and new products could be severely and unnecessarily hampered by the disorderly growth of national government legislation and regulations.

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

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COMPANY CHARITABLE GIVING — a guide for corporate donors.

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PROFESSIONAL MANAGEMENT OF COVENANT INCOME — a covenant service for charities.

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STOCK EXCHANGE REPORT

Partial recovery in Golds on overnight U.S. buying
Good rally in Gilts helps equities to end above worst

Account Dealing Dates
First Declara... Last Account...
Government Stocks put on a reasonably good performance in stock markets yesterday with a turnaround of a full point in recovering early losses to 1 and closing with gains ranging to 1 in long-dated issues.

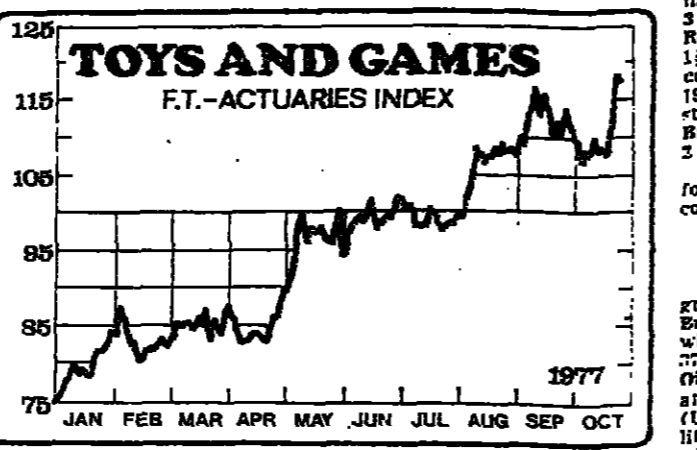
restationary moves to be announced in today's economic package...
Conditions were again very tight and sensitive and business remained at a fairly low level.

188p. Elsewhere, BPB Industries gave up 3 to 260p in front of today's interim results...
Following another quiet session, ICI closed a penny off at 410p, after 406p.

Power which ended 6 up at 135p...
Bribehouse Dudley hardened 2 to 250p...
Publicity given to a broker's circular created a fair amount of buying interest in Northern Foods which improved 7 to 109p in active trading.

John Haggas on the profits warning continued in the interim report...
Tobacco gave ground, Imps losing 2 to 82p and BAT Industries deferred 4 to 235p.

After the recent setback on fears about the recent political moves, South African Industrials staged a modest rally...
At the close, gains in the heavyweights extended to 2 1/2 in both West Driefontein, E201, and Saint Helena, E10, while Western Golds advanced 2 1/2 to 214 1/2 after 211 1/2 after 211 1/2.



FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices and their values. Includes Government, Industrial Ordinary, and Gold Mines.

HIGHS AND LOWS
Table showing high and low prices for various stock categories like Govt. Stocks, Shares, and Bonds.

OPTIONS TRADED
Table listing options traded with columns for Dealings, Last, and Settlement.

RISES AND FALLS YESTERDAY
Table showing the percentage change in various stock categories like British Funds, Shares, and Bonds.

NEW HIGHS AND LOWS FOR 1977
Table listing new high and low prices for various stock categories.

RICARDO CONSULTING ENGINEERS
Pre-tax Profits up 48% Continued expansion
Points from the Statement by the Chairman, Mr. D. Downs, B.Sc., C.Eng., F.I.Mech.E.

RECENT ISSUES
Table listing recent issues of stocks with columns for Issue No., Price, and other details.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.
Table with columns for Equity Groups and Fixed Interest Price Indices.

APOLLO
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FINANCIAL TIMES SURVEY

Wednesday October 1977

TOYS



The adults join in

By Stuart Alexander

TOYS AND GAMES these days are a serious business. From a proliferation of importers, wholesalers and makers who were more inventive than businesslike has emerged a rounded industry which can look forward to a new, more professional era.

At every level the large operators are beginning to dominate, be it manufacture or retail. At the same time the growth of manufacturing in the U.K. has led to new ways being found to even out demand through the year instead of being dependent on the pre-Christmas spree.

When wholesalers were dominant, then the overseas manufacturers were left to sort out the problem of seasonality. This is no longer true, he says, and points to the growth in the U.K. in recent years, with more home-based manufacturers selling more and more directly to major accounts and widening their product range to take in adults as well as children.

The new trade fair held for the first time at Birmingham's National Exhibition centre this year significantly included the word hobby in the title, and

this reflects the attempts by the industry to expand their potential market.

In the past five years the big companies have improved product ranges, technology, financial control and marketing. They have also developed overseas marketing, licensing and exchanges. As an investment they have become respectable and earlier this year stock-brokers Grieseson Grant said, "We think the prospects for the toy industry very good." This was despite a fear that 1977 could see a slip in volume sales, although with prices up by about 20 per cent, turnover was expected to rise.

Yet the industry has shown consistent growth since the war and at the same time has produced a clutch of market leaders which have grafted genuine management expertise and entrepreneurial skill on to a business that still has a large measure of emotion in it.

In a recent excellent study of the industry Mr. Richard Beecham, joint managing director of Dundee-Combe-Marx, one of the leading European toy groups, refutes the charge that the toy industry is volatile, insignificant and chasing narrow markets vulnerable to the whims of taste, competition and cyclical factors.

"This is no longer true, he says, and points to the growth of DCM, Airfix, Lesney Mettoy and John Waddington. Over 60 per cent of total toy and game sales were shared by the nine main quoted companies last year and that concentration could increase further.

Sales at manufacturers' prices topped £230m., up 20 per cent on the 1975 figure of £190m. and that was 16 per cent up on 1974. Indeed some estimates expect

total retail values to reach £365m. this year with about £70m. of that going abroad.

But the two key factors highlighted by Mr. Beecham have been increased willingness to spend money on leisure and toys in a period of increased living standards and disposable income and the linear extension both backwards and forwards from the traditional age group served.

This means pre-school at one end and adult hobbies and leisure at the other. Pre-school has developed very quickly into a major market fuelled by parents' increasing desire to give their children some sort of education through play.

There has also been a conscious effort to pick up a young customer with model-making kits, outdoor games equipment and sports clothing. These can be sold all the year round and can be carried through to retirement age. Even painting by numbers can be attractive to housebound mothers.

The development of the hobby and leisure side has been made necessary as falling birth rates have coincided with a young population which wishes to "grow up" as soon as possible. The girls' toy market has reduced in span as they have bought records and lipstick at an earlier age, and boys over 11 have often switched their attention either to outdoor pursuits or are laying the foundations of long term pastimes.

These need not spell doom for the bigger toy groups. Their expanded range of products even out cash flow, and while there may have been a decline in the number of births there has not been a similar decline in the number of households. This can merely mean that spending per child increases as

The U.K. toy industry is expanding in volume and is finding new outlets abroad. It is also serving a wider variety of customer since pre-school and adult toys have now become major markets.

families can afford more leisure goods.

It has also encouraged the development of "system" toys. That is a basic toy to which many accessories can be added. This is another method of spreading their spending throughout the year, although the initial purchase may be made at Christmas.

DCM, for example, estimates that for every £20 Hornby train set sold, the customer is likely to spend a further £100 on accessories in the following 24 months. The company also owns Pedigree Dolls and manages to sell about 500,000 Sindy dolls every year, although only about 350,000 girls are born. And there are a lot of accessories available for those girls to buy.

A break-down of toy types still shows die-cast ones pre-eminent, with about 26 per cent. Plastics are a close second with 23.8 per cent, and very significantly, modelling kits and materials come third with 15.3 per cent. (Source: Business Monitor.)

In contrast there has been a decline in traditional wheeled toys, dolls, soft and wooden toys, pointing out the emphasis on the practical, the outdoor, or the educational.

There has also been a move to establish a firm export base, and overseas sales now outstrip imports by about £25m. a year. The old Commonwealth markets have slowly declined in importance as manufacturers have turned to the EEC, which now takes 45 per cent of exports, and the U.S., which takes 15 per cent.

However, there is, again, a much greater concentration of export business among the big companies than among the small. Lesney sells about 75 per cent overseas, with Airfix and Mettoy at over 40 per cent. DCM, too, claims over 70 per cent of turnover is generated by a combination of direct exports and overseas operations.

DCM bought Louis Marx of the U.S. in April, 1976, and Airfix is both developing Crago and Sheila industries

in the U.S. while buying a distributor in Europe. In his last report chairman Ralph Ehrmann spoke warmly of the achievements of both Plasty-Spielzeug and Ave International and said: "We continue to consider exports a high priority in our marketing operations and trust we will achieve further expansion this year."

Nor are these exports confined to the western industrialised nations. As well as sales to the developing world, links have been established with the Eastern bloc countries and two-way trade is growing. DCM, for instance, through its Novo subsidiary, has set up licensing agreements and sales of moulds or dies, often in exchange for finished goods. The company expects this trade to increase significantly in the next few years, so we could soon be exchanging dolls for vodka.

The markets of South America, Africa and, inevitably, the Middle East, are also likely to grow in importance as affluence increases in these huge markets, producing demand for quality toys and leisure goods.

British toys have a reputation for quality and for innovation. The toy industry, more than most, is geared to providing something new at least every year, perhaps every month. Children are as adept at keeping up with the Joneses as their parents, and as soon as a new toy comes into the hand of one member of a group the rest will be turning on the tears, temper and tantrums and before the evening is out.

However, tooling costs can be high and this has been yet another factor in the toy industry's search for economy through

long production runs. Admittedly some lines run for a very long time—Monopoly is still a firm favourite—but Airfix estimates that it can cost up to £100,000 to launch a new product in a major way.

The trade expects extensive comic paper and television advertising as well as a good discount for itself. Margins in the retail trade are fairly high—totalling between 50 and 60 per cent mark-up—but there are additional overriding discounts for the big buyers, which is why the chain stores and supermarkets have moved in.

Traditionally toy makers do not run with the hares of wholesale as well as the hounds of direct selling. But when the chains bring their buying power to demand large discounts, the small retailer, as in some grocery lines, can often find himself buying at the same price at which the supermarket is selling.

So the manufacturer is squeezed by high costs and the small retailer is squeezed by being undercut. There will always be a place for specialist toy shops, but in future they are likely to be fairly sparse. There are many opportunities to buy toys in the U.K.

Nearly every newsagent sells a small number of toys, as do multiples, department stores, chain shops and supermarkets, but the trend is clear. Mail order, with about 20 per cent, and chains and multiples with a further 27 per cent, show the power of the big buyers. Independents still take about 25 per cent, and wholesalers are handling the remaining 25 per cent.

Six years ago the independents accounted for 46 per cent, and a bit further back the wholesalers handled over 50 per cent.

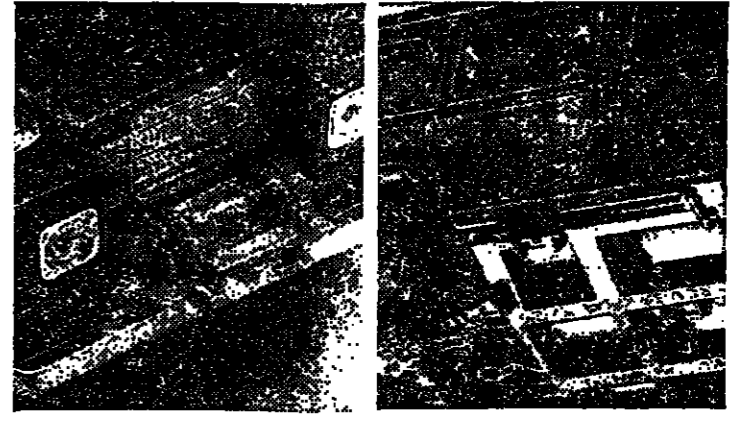
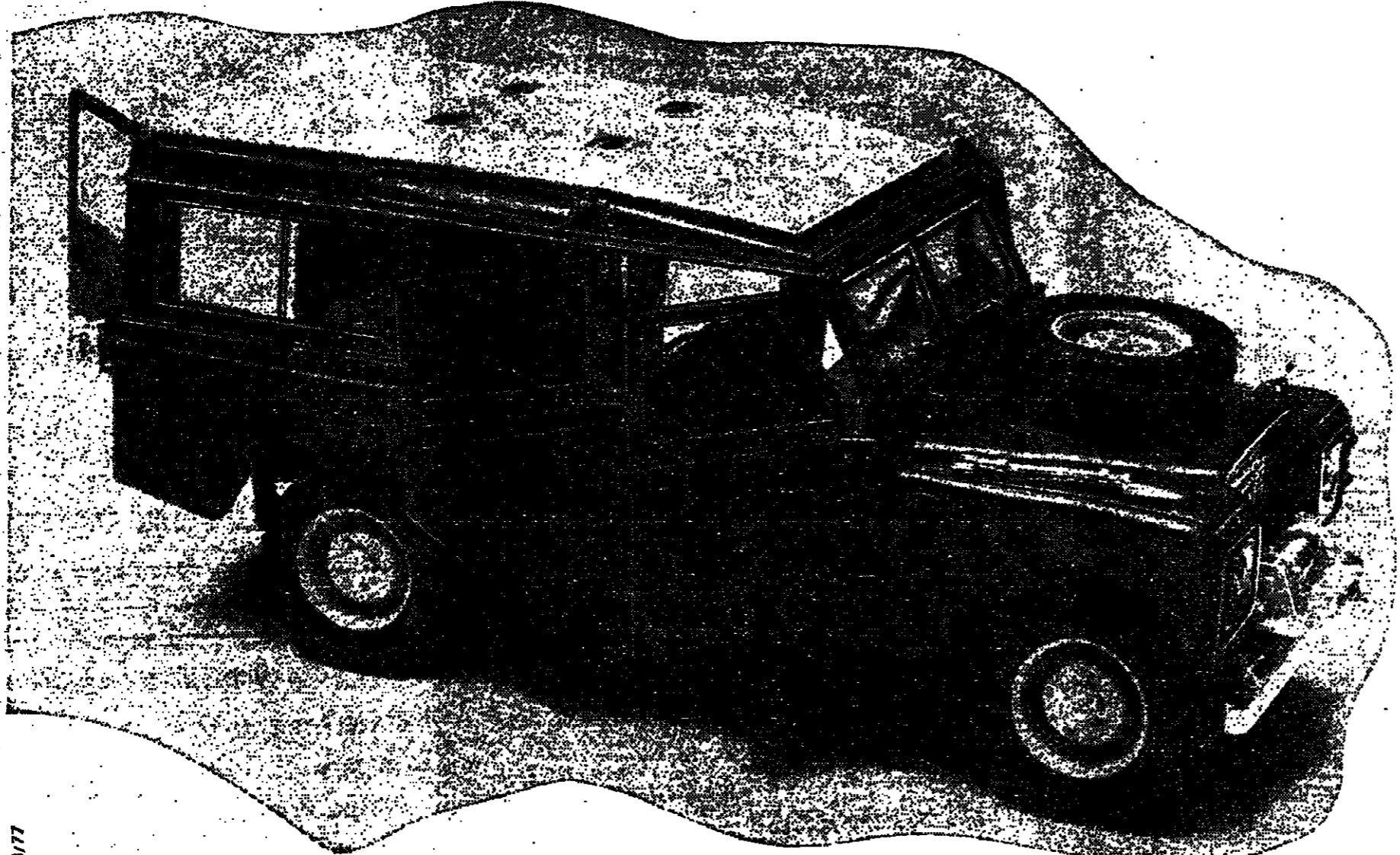
of the business. The new emphasis on chain-store and supermarket selling has also had a marked influence on packaging. There are rarely trained staff to advise and often a toy will be bought like a can of beans. So the manufacturers have adopted brightly coloured boxes, incorporating, where possible, a perspex panel so that the toy can be seen. And the pack gives a full description of the contents. Often, too, the larger manufacturer will provide display units which are arranged and stocked by their own sales staff, just like the cake and biscuit manufacturers.

But perhaps the most significant development has been the emergence of the big companies, where sometimes toys form only a part. One such is Hestair, which also owns Dennis Motors of fire-engine and dust-cart fame, plus a company making precision seedplanting agricultural machinery.

Hestair also owns a north London toy wholesale company and has more recently added Kiddieraft to the stable. All in all the toy division provides about 25 per cent of the group turnover and contributes about 20 per cent of profits. And Hestair is continuing to look favourably at the toy market.

If for no other reason, the company realises it must stay with the leading group and to do that will need a highly diverse product range. The seeds of improved management and financial control have been seen among the market leaders, who will now wish to see the controlled reflation of the economy promised by Mr. Healey, which will bring with it the prospect of a period of consolidated growth.

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Output and profits up

PROFITS WITHIN the U.K. a little more resilient than the toy industry stayed buoyant average for the U.K.). At the last year, helped by a rise of same time competition from almost a fifth in output. Exceptional growth in earnings was achieved by some of the major companies, and at this early stage in the annual trading cycle—the Christmas quarter is crucial to the majority of manufacturers—it is generally expected that 1977 will provide the industry with yet another improvement in profits.

Not that the toy salesmen are having things entirely their own way. Having fallen strikingly in volume terms during the first six months of this year, retail sales remain seriously depressed (although there are signs that consumer spending on toys just might be proving

back, however. Last year exports from the U.K. accounted for very nearly two-fifths of total manufacturing sales, and at the moment there is little reason to suppose that this sort of percentage ratio cannot be maintained in 1977. At the same time some of the major companies have been busy establishing themselves physically outside the U.K., notably Dunbee-Combes-Marx from the U.K. moved ahead by some 25 per cent. But the most striking figure for sales growth came in the form of imports where sales increased from £42m. in 1975 to £61m. in 1976, a rise of no less than 45 per cent. Manufacturing companies in this country have been hitting

as a loss maker and quickly turned out of the red. Its products cover a well balanced and wide range of trade names. These include Hornby, Scalextric, Playpeople, Pedigree and Sindy dolls together with the Marx range of reproduction and military guns, Yo-Yo, Lone Ranger and Schuco. Of the five toy subsidiaries—the company also has some operations covering DIY, home improvements and toiletries—Combe in the U.K. cover wholesale the operations (chain stores, mail order, export) while Burbank, Louis Marx and Rovex supply retail outlets.

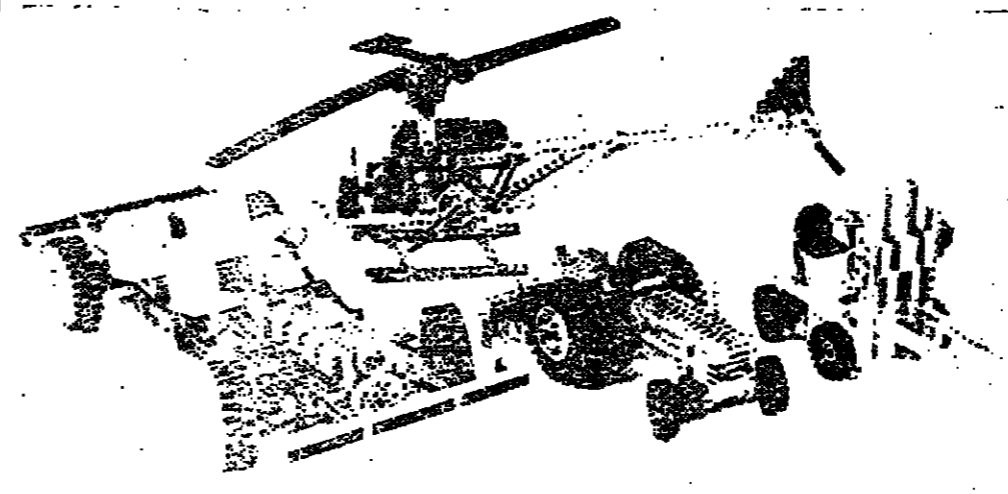
The most recent U.K. subsidiary, Novo Toys, sells through regional distributors, and in total Dunbee-Combes-Marx probably covers some 90 per cent. of all toy traders in this country. As well as Marx in the U.S. and Schuco in Germany, the group has companies operating in most of the EEC countries, South Africa and Australia.

In fact something like three-fifths of turnover of £86.5m. in 1976 arose outside the U.K., thanks largely to the acquisition of Louis Marx in the U.S. where prospects for a continuing recovery are seemingly good. The American company was purchased in April, 1976, for \$15m. and already the new management has disposed of more than \$5m. of assets no longer required.

Another major manufacturer with plenty of overseas potential is Lesney. At £10.2m. before tax, Lesney's profits for the year ended last January were a full 46 per cent. higher. And in June, speaking at the annual general meeting, the chairman told shareholders that in 1977-78 "most major markets were up or ahead of budget, particularly the U.S."

Lesney's activities fall into two main areas, the manufacture of diecast toys—the famous Matchbox range—and industrial products: the company has its origins in commercial diecasting and as a result still produces a wide range of diecastings for industry at home and abroad. However, Lesney's toy expertise is what matters most to the profit and loss account and the company's range of products in this field includes plastic kits, fashion dolls and pre-school toys as well as the Matchbox range.

Lesney and Dunbee-Combes-Marx are of course only two of nine major publicly quoted companies in the toy trade: the other seven listed on the London Stock Exchange are Airfix, Berwick Timpo, Cowan de Groot, Mettoy, MY Dart, I and L, Randall and J. W. Spear. The shares tend to be popular with investors having emerged from 1976 as top industrial sector with a capital gain in 12 months of more than 18 per



Lego shows no signs of diminishing in popularity. The photograph shows models built from the new Technical Sets, intended for children aged nine and over.

New pattern of exports

UNLIKE MANY other industries, British toy manufacturers have managed to survive, with out too much apparent difficulty, a major upheaval in their export markets during the past 12 years. They could now be poised to build substantially on that achievement.

This change was a radical one in that virtually captive Commonwealth markets which took products as fast as they could get them were replaced by far more competitive European countries, often with quite different requirements.

Whether this success was a result of the traditionally high quality or ingenious nature of British toys, or by skillful marketing, is debatable, but the figures speak for themselves, especially evident in South America, Africa and the Middle East," he added.

It was felt that the industry should be striving even more vigorously to capitalise on its own inherent potential, particularly since British toys had an unrivalled reputation for quality among overseas visitors, which was confirmed by the number of foreign manufacturers who visit U.K. toy fairs.

In general, U.K. companies are attracted to export markets mainly because they provide opportunities for expanding sales in a way which cannot easily be achieved in the U.K. In the home market any expansion of sales, except in the case of an entirely new product creating a new market, must come at the expense of competitors.

As a result, there have been major developments in foreign countries recently. Lesney's substantial growth in exports is a good example; others are DCM's acquisitions of Louis Marx in the U.S. and the West German Schuco company. It should perhaps be emphasised here that exports alone account for only a proportion of overseas toy sales.

A major part of recent export expansion has come in the form of diecast toys. The two leading companies involved, Lesney and Mettoy, had successfully developed inexpensive ranges of diecast model cars, well constructed, of good quality and incorporating considerable detail. At that time they faced little foreign competition but with the advent of comparable and sometimes superior U.S. products in the early 1970s, export proportion fell to just over 30 per cent. in 1973. However, the position recovered rapidly the following year, with a rise to 38 per cent.

It is suggested that one of the major reasons for the relatively good performance in 1974, 1975 and last year was due to the weakness of sterling, but it is probably not the only factor, as quality was also

improved to meet the challenge. But the export market has its problems and it is often a difficult one for the smaller manufacturer to enter. It is also very sensitive to price, which underlines the dangers of inflation and the high cost of importing raw materials.

This is underlined by figures which show that about 40 per cent. of U.K. production is exported by the major U.K. manufacturers, this total representing about 83 per cent. of the export total of the U.K. industry. It is also interesting to note that last year metal diecast toys accounted for 43 per cent. of total British exports, followed by plastic toys with 23 per cent. (compared with 18.2 per cent. in 1975) and modelling pastes and construction models with about 12 per cent. Most other categories such as wheeled toys, dolls, soft toys, wooden toys and rubber toys, accounted for between one and 2 per cent.

In the metal diecast category, Lesney is the most important U.K. manufacturer and in the group's 1975-6 financial year ending in February last year its exports totalled £24.7m. Although this figure will have included items other than diecast toys it is probable that the majority of the exports of the group are from the Matchbox diecast series. As diecast exports for the whole industry in the calendar year 1975 totalled £27.5m, much of this total must represent Lesney's own exports.

Other significant increases achieved in the past four years are in export of dolls, plastic toys (mechanical and non-mechanical) and wooden toys. Airfix's plastic model aircraft kits are also well represented in export figures.

In terms of individual countries as markets, 1976 figures showed that West Germany and the United States led at around 14 per cent., followed by France with nearly 9 per cent., Australia with 8 per cent. and a wide range of others below 5 per cent.

The major increases by value in 1976 were to the Netherlands with 53 per cent., France 51 per cent., the Republic of Ireland 50 per cent., and significantly to the United States with 49 per cent. Although exports to West Germany declined marginally, this followed an increase of 22 per cent. in 1975, more than double the overall rate of export growth that year.

Although the industry is looking forward to a satisfactory year of exports in 1977, much depends on the behaviour of sterling and the success of Government in its fight against inflation.

Lorne Barling

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TOYS III

Thriving U.S. market

THE AVERAGE U.K. parent bought 3.4 toys last year, his U.S. counterpart bought 15. That figure alone explains why so many British toy producers are casting covetous eyes across the Atlantic, and following the glance through with direct investment in the U.S. like Dunbee-Combes-Marx, or the creation of a thriving export business.

The U.S. is the world's largest toy market. Last year, sales were worth an estimated \$5.1bn. (£2.9bn.) at retail prices, according to Toy Manufacturers Association of America surveys (and some observers put the total as much as 30 per cent higher). And they have been growing fast. The 1976 figure was 6.3 per cent, up on the previous year's \$4.7bn., and that in a period when the wholesale price index rose by only 0.8 per cent. Overall in the five years from 1971, when sales amounted to \$3.7bn., there was a compounded annual growth rate of 6.5 per cent against a 5.9 per cent a year average increase in wholesale prices.

This growth is being achieved despite stringent restrictions on the marketing of toys. Safety criteria are very high—and manufacturers' liability for accidents very wide ranging—in stark contrast to most of Europe (though the U.K. and West Germany also have tough safety regulations). And there is a tough code of advertising practice, especially as regards television commercials aimed at children, which looks likely to become even tighter. Thus toy commercials must not use cartoon, must contain no fantasy, and must not encourage what is described as the cult of collecting or of materialism. Prices cannot be given, and descriptions must be very exact. At the same time, however, safety has become a marketable concept in a way which has not yet taken hold on this side of the Atlantic. Thus, one of the biggest sellers is the Big Wheel, a racy looking tricycle made of plastic, which will have notched

up its 10 millionth sale this year. The Big Wheel, made by Marx Toys, has a low centre of gravity, making it virtually impossible to tip over. Unlike the conventional metal tricycle seen in Britain, it has no chain and no spokes, and it cannot rust. Its advance in terms of providing a safe ride is obvious—and yet attempts to market it this side of the Atlantic have flopped (though another, more concentrated sales effort is likely soon) even though Americans have bought enough of the machines to cover the 5,844 miles from Los Angeles to London.

The market is not just expanding but is becoming increasingly concentrated in the hands of a few companies, both on the manufacturing and retailing sides. Retail margins tend to be lower than in the U.K. At the other end of the process, the U.S. has some 950 companies manufacturing toys. But some 40 per cent of the market is accounted for by 11 companies, and the top three are responsible for 25 per cent of all sales between them.

change Commission early in 1974, that financial reports from the company had been falsified. The resulting storm not only came close to blowing Mattel off the map but seriously affected much of the rest of the industry as the question-mark over the credibility of its highest flyer became extended to its rivals.

Healthy

To-day, much slimmed down and without its conglomerate ambitions, Mattel appears healthy again, reporting a net pre-tax profit of \$23.5m. in 1976. The lawsuits which resulted from the falsification charges have just been settled, and credibility has been restored.

Much the same appears true of Quaker Oats, third biggest

recession in the industry. What ever the cause, Quaker decided to get out. In April, 1976, the Louis Marx business (apart from its Mexican operations) was sold for just \$15m., plus \$3m. for working capital.

The result has been a vast improvement in Quaker's position. In its 1975-76 report, published after the Marx sale, the company was able to report: "Our toy business, a problem a year ago, is now in good shape. First, Fisher-Price... had a good year with fine increases in sales and earnings... Second, we eliminated a costly problem business—Marx Toys." Now Quaker has some 4 per cent of the U.S. market, notching up sales of \$184.7m. and an operating profit of \$27.5m. in the nine months to March 31 this year.

Just ahead of Quaker in the U.S. manufacturers' league table (and of Dunbee-Combes-Marx in the world league table, though possibly not for long) is Milton-Bradley, with a 5 per cent market share and a major stake in the board games and puzzles and construction kits sectors. With sales of \$192bn. in 1976, Milton Bradley is largely based on the domestic market, though it has been selling—and seeing fast growth—in Europe for the past four years and expects to generate a great deal more of its future growth abroad.

Fair trading

by way of courtesy coaches. One all too familiar problem with this peculiarly British method of running a show was to find your way round the nooks and crannies of the venue itself, let alone locate the exhibitor you came to see.

I can recall parties of keen-eyed Japanese buyers obviously lost, with no multi-lingual signs to direct them and, in sheer desperation, a luke-warm cup of coffee with a plastic spoon their only comfort.

Not that they are especially welcomed by exhibitors. It has not been unheard of for salesmen on the stands, upon spying a party of Japanese fast approaching, their display quickly to dismantle all the newest items lest these same

attended this event. The first is the low standard of the British contingent's booths, which are in market contrast to the imaginatively planned and professionally executed stands belonging to almost every other nation. The second is the lack of suitable accommodation, necessitating in many cases, having to lodge with a German family who speak little or no English.

Disagreements

France has its own toy fair, too, at Paris. As it happened, because of a personal disagreement between the organisers of this exhibition and Nuremberg fair, the two very nearly clashed this year. The matter was resolved at the last minute, although, of the two, Nuremberg wins in importance.

While all this is going on, in February, the Americans have their New York Toy Fair (February 19-22, 1978). This effectively enables any visitor to pinpoint the fourth annual toy trends before they actually happen. The U.S. toy trade is considered to be three to four years ahead of that in the U.K., but the gap is narrowing all the time. Indeed, British manufacturers (notably Invicta Plastics with its Master Mind game) have successfully penetrated the American market so much so that they managed to install themselves in coveted hard-to-come-by showrooms at the Toy Centre of the World, Fifth Avenue.

Many countries have their own national toy fairs, but two that stand out above the rest are October's Hong Kong Toy and Gift Fair preceded by the Tokyo International Toy Fair. Hong Kong is the largest exporter of toys in the world, and as a result many who attend the fair already have their own established contacts at factories on the island. However, the fair affords a unique opportunity for newcomers in the trade to see what is available for the coming year from the Far East. Incidentally, special tours to several of these overseas fairs are in operation, offering tremendous savings. Toy Trader magazine for one has a trip to Hong Kong costing just £415 for 13 days flying by scheduled Jumbo jet and staying in first-class accommodation.

Greville Bogard

Apparent

The concentration is even more apparent in the major sectors of the market where the biggest sales growth has been seen. Thus doll sales, for example, saw a 16 per cent a year growth rate between 1972 and 1976 against an overall industry advance of 9 per cent. And 66 per cent of doll sales, worth \$230m. last year, were accounted for by those top 11 companies (and a very large part of them by just one, Mattel). Likewise, those 11 accounted for 69 per cent of board games and puzzles sold, for 90 per cent of the market for model cars, planes and similar transport models, and for 65 per cent of the preschool and infant market.

This concentration has not materialised without problems even among the big companies, quite apart from their smaller competitors. Dominating the scene is General Mills, the giant

Airfix Industries

Nationwide~Worldwide



TO MANY PEOPLE the name Airfix conjures up visions of sophisticated model construction kits, ranging from perfect replicas of the famous Spitfire to battleships and dinosaurs. Indeed, Airfix produce over 500 different kits, which dominate the British scene and are found in virtually every country of the Western World.

HOWEVER, AIRFIX HAVE made a big name for themselves in many other areas of the toy industry. The first Airfix railway systems were launched in 1954 with the steam trains capturing a big share of the British market... The action toy range has been launched with Supercopter, following in the footsteps of the highly successful Flight Deck and Supercopter. The Weebles and their many accessories are one of the best-selling pre-school ranges on the market. And the Airfix dolls, first launched by Farish, Faussett-Majors have proved highly popular with girls across the Craft and Homecraft painting sets.

AIRFIX ALSO EMBRACE such great names as the Bluey, Triang and Pedigree, famous for their ranges of construction kits, including model cars, scooters, pedal cars, pushchairs and prams. There is also the new range of model cars and trucks, the range of model boats and model planes.

IN FACT, Airfix has a wide range of products to suit every age group and taste. The 1/24 scale model range, which are 4 inch high and feature the finest finishing with their fine detail and superb painting, and the Microscale, first launched in time for Christmas 1976, are the most detailed and accurate ever of their kind. The new range of model construction kits, including the range of model cars and trucks, with their superb painting, will be just another example of the diversity of Airfix products.

No fewer than 84 different countries are served by Airfix, and the company has a subsidiary, Plasty-Spielzeug, in Germany, which is responsible for the distribution of Airfix products throughout the continent. This International Inc.

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Retailers having a tough time

HEARING THAT the Financial Times was about to write a survey on the toy industry, the head of one small chain of specialist toy shops wrote to the paper no less than three times pointing out that the independent toy retailer was not about to disappear from the market. He was sick and tired, he said, of being told that the specialist toy shop was a kind of dinosaur in the high street which had no chance of surviving into the next decade.

He had a point. The problems of the specialist toy trader have become one of the classic case studies of the difficulties facing independent shopkeepers at a time when all the economies of marketing seem to favour the big groups. But if their problems have attracted attention, it has not been without good reason. In many ways, the independent toy trader has had more than his share of the problems facing other independent retailers over the last 10 years.

With his high margins, slow stock turn and highly seasonal business, he was a very tempting competitor for those multiple groups, like Tesco, to take on when they were looking for new areas of expansion. The specialist toy shop, has of course, long had to compete with groups like W. H. Smith and Woolworths. But in the last ten years the challenge has become tougher. Not only have their traditional competitors, like Bonts and Smiths, been building bigger stores in which they can devote more space at certain times of the year to toys, but newcomers have come into the market in the shape of the supermarket groups.

These groups have approached toy retailing in a very different way from the traditional toy shop. For a start, they made no attempt to match the range offered by the specialist. Instead they offered a limited range of toys at cut prices, varying the space de-

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Suffered

Not surprisingly, in the circumstances, the independent toy retailers lost sales to the big groups. And as the independent shop suffered, so too did his wholesaler. The degree to which they lost out varied from one sector of merchandise to another. Obviously, there were some product categories in which the supermarkets made very slight inroads, but in many high volume items and heavily advertised branded toys, the drift away was considerable. One manufacturer of games, for example, says that whereas seven years ago 41 per cent. of his sales were to specialist traders, to-day only 28 per cent. goes through these outlets. By comparison, the share of his sales accounted for by variety chains, like Boots, had grown from 19 per cent. in 1970 to 25 per cent. in 1976, while the supermarkets' share had risen from 3 per cent. to 10 per cent. over the six-year period. Interestingly, the share taken by tobacconists too declined while the department stores' slice had shown no change.

But, in the view of some, the worst may be over for the amalgamation has been created specialist toy retailer. Though by the association of 150 some of the variety chains, like Marks and Spencer are yet to launch a major attack on the toy market, some people in the trade believe that most of the supermarkets have now gone as far as they are likely to go in devoting space to toys. This may be true to a degree in that it is unlikely that any supermarket group would want to start selling anything but the fastest selling toy lines, but one only has to walk round to any of the new superstore developments to see how seriously these supermarket groups take toys at the peak times of the year.

Perhaps the more credible reasons for believing that the trend away from the specialist trader may be halted is in the actions of those traders themselves. Some of the weaker ones have already gone out of business but some of those left have, over the last ten years, formed voluntary buying groups. These have been set up both by wholesalers—as in the case of the Consortium—and retailers—as in the case of groups like Viking. These groups have not the relative strength of similar organisations in the grocery trade but they do enable members to get some of the buying and promotional advantages enjoyed by the big groups. Moreover, there are signs that this co-operation may increase. Recently, a larger



This year's British Monopoly Championship was held in a nuclear power station—a typical Waddington publicity stunt.

toys varies considerably as was shown by a recent study of the independent toy retailer carried out by Manchester Business School and sponsored by British Lego. This survey showed that 43 per cent. of toy sales were made through shops relying on toys for over 80 per cent. of their sales, 35 per cent. from those relying on toys for between 50 and 80 per cent. and only 23 per cent. from those outlets which had less than half their trade in toys.

The same sample showed that despite changing distribution costs and systems, 70 per cent. of toys were still delivered direct to independent shops. The traditional wholesaler supplied a further 27 per cent. while cash and carry wholesalers accounted for only 3 per cent. of the trade. More worrying for the traditional wholesaler was the survey's finding that their strength was mainly among older shopkeepers—the kind of person who, if he was forced to close his shop, would either retire or seek alternative employment rather than go into toy retailing all over again.

Seasonal

The survey confirmed the highly seasonal nature of the trade. The shops monitored did 23 per cent. of their annual toy business in December though, as might be expected, the seasonal imbalance was slightly less for specialist toy retailers. Discounting was found to be

strongest in those retail outlets which owned more than a shop, but overall discounting was limited to between 10 and 15 per cent. of the toys sold.

The retailers interviewed were asked to list the problems which they considered to be most worrying to them. Not surprisingly they shared other independent retailers' fears about the rapidly rising cost of overheads but of even worry to the independent retailer was the invasion of retailing by other trades. Solutions were offered to deal with the problem but the manufacturer tended to get part of the blame for the way the trade had been opened up to outsiders.

In general, however, the retailers interviewed took a fairly positive view of the trade. Almost half of them said they would open a toy shop again if their present premises were result of a compulsory purchase order. But, as Mr. David Brown, managing director of Manchester Business School, said in the foreword to the study, the "problems facing toy retailer who is attempting to specialise in a highly seasonal market, are indeed immense. It would be unrealistic to stress, to expect competition to do anything but intensify. Even so, Mr. Brown concludes that provided the independent retailer adopted an aggressive marketing policy, he could, would prosper.

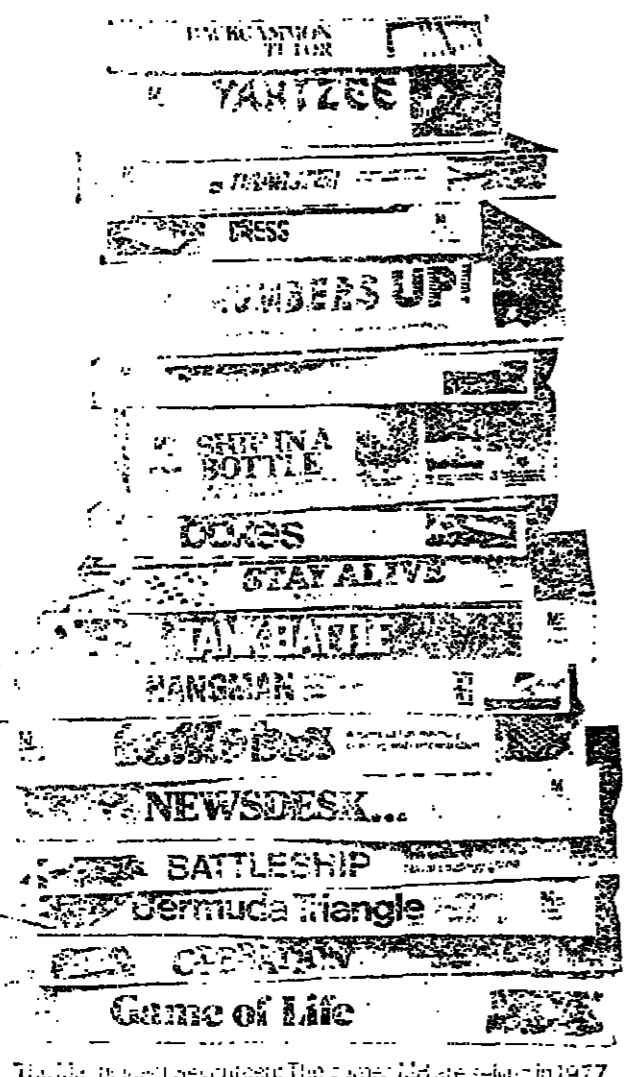
Elinor Goodman

MB GAMES

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The new Turin Play Buggy made by Andrews Maclaren

Promotion efforts

BOTH SMALL and large British toy companies enjoy a reputation for heavily promoting their products through the media. Although TV is almost certainly the first choice for many, billboards, children's comics, the women's weeklies, the cinema circuits and more recently commercial radio all tend to irritate retailers who, quite rightly, point out that since retail price maintenance no longer exists, showing a price with the commercial hinders all and the more their ability to compete with the multiples. In other words, if a game is stated to cost £4.99, then any trader who sells it for above 43 per cent. on 1975, placing it as a product group a surprising 19th among the biggest spenders on the box in 1975.

Strength

"Regionality is, of course, TV's strength. Although 87 per cent. of homes in the country are reached by ITV, TV is very much a regional medium, and unlike the national Press, smaller advertisers are therefore in a position to use it in line with their distribution patterns. In this respect it is interesting to note that the overall pattern of toy sales is fairly uniform regionally, with slightly more purchasers in the North West, the Home Counties and Yorkshire."

While on the subject of TV, it should be mentioned that the Independent Broadcasting Authority (IBA) keeps a close

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G.B.

APPLICAZIONE

Safety: room for improvement

CHILDHOOD IS one of the most dangerous periods of life. Not only are there the dangers of the adult world to contend with, but many activities and facilities specifically designed for children actually have the effect of increasing the hazards which confront them.

Take the typical children's playground, with its swings set over squares of cement and its slides with nothing to stop youngsters falling from its summit. The accidents that occur here are notorious, yet the typically short-sighted local authority does nothing to reduce the risks and, yet more foolishly, goes on using the same ill-considered designs when providing additional play facilities.

In the home, toys, too, are often sources of hidden danger. Their paint can prove poisonous; dolls' eyes can prove insecurely attached and all too easy to swallow or, worse, may be fastened by sharp pins which pull out and fasten themselves in the child's eye.

There must be limits on the amount of danger which can be legislated away—it is impossible to conceive of a series of laws so comprehensive that every conceivable risk is eliminated.

Britain is in the forefront of the general movement toward making toys safer. The level of protection may not be as high as that in the U.S. There, the success of the Ralph Nader inspired consumer movement has placed manufacturers under the threat of legal penalties, especially in the civil courts, of a size guaranteed to put safety in the forefront of their thinking all the time. But it is considerably greater than in the rest of Europe (except, perhaps, for West Germany) where, as in Italy, for example, controls may be minimal.

This concern shows itself in, for example, the surprising fact that Britain and the U.S. are the only countries in the world to collect accident statistics on a product-related basis, thus providing a guide to the safety or otherwise of toys of different types.

Recent figures for the U.S.

show that in 1974, according to the country's Consumer Product Safety Commission, there were 36 deaths involving toys. In Britain, an analysis of six English and Welsh towns in 1973-74 showed that 238 of the 13,855 home accidents reported during the 12 months involved toys. Of those, 77 per cent happened to children younger than 15, with 44 per cent of those occurring to toddlers below the age of four.

Culprits

Swings, balls, toy cars and trucks and toy guns and pellets were the main culprits, with marbles, glass eyes of beads, fish hooks, dummies and pea shooters being among the other causes of injury.

The list itself clearly shows the impossibility of ending all accidents; there is no way an accident-proof ball can be designed, and outlawing pea shooters would have no effect on those children, probably the majority, who make their own rather than using the shop-bought variety.

What the law in Britain, considerably strengthened in October, 1974, and again six months later, does do is place stringent limits on, for example, the level of potentially poisonous materials—arsenic, cadmium, lead and mercury—that can be used in paints for toys. Pile fabrics used as coverings on teddy bears and other soft toys must not be inflammable; electric toys must not use a current of more than 24 volts; plastic bags must carry a printed warning about the dangers of suffocation. Sharp points and edges are banned; things like dolls' eyes must either be incapable of being gripped by a child's finger or must be able to withstand a force of 20.2 pounds, making their removal and possible subsequent swallowing virtually impossible; wires, spikes and rods used in chiming mechanisms must be within a protective casing.

Backing up these and other legislated safety rules is the even more stringent code of

practice imposed by the major toy manufacturers themselves through their own trade association. And the standards are about to be tightened still further by the Consumer Safety Bill planned by the Government for the next session of Parliament. This, assuming it is passed, will give the Government the power to ban whole categories of potentially dangerous products and will also impose a new general duty on suppliers to ensure that, as far as is reasonably practicable, their goods are safe.

For the main U.K. toy companies, the planned Bill is unlikely to pose any problems. But importers, in particular, could find its provisions especially onerous. For, with stringent safety standards for toys so lacking in other countries (except, of course, the U.S. and West Germany, in particular), though the situation is gradually improving, the culprits in terms of danger often turn out to be imported.

This is where a second forthcoming move on the safety front should help. The European Commission is presently working on a general draft directive laying down requirements, to apply throughout the Common Market, for toy packaging, their labelling and directions for use, physical and mechanical hazards and flammability. This would be supplemented by more detailed directives covering such things as poisonous and electrical hazards, with the technical aspects based on the international safety standard for toys developed by the European Standardisation Committee.

The Commission's aim is not just improved safety; it has been concerned about safety regulations acting as non-tariff barriers to trade between member states.

This, the Commission hopes, will end with the introduction of common standards. And, it has emphasised, it will be aiming to make these standards those of the most advanced countries rather than a lowest common denominator. At the same time, however, it warns somewhat ominously that, if the

new standards are adopted by the Council of Ministers, a country would not be able to impose more stringent regulations than the Community ones since that would mean imports being restricted by quality requirements.

This is all well and good if the Commission's standards really do turn out to be the highest possible, even if the assumption that imports should not be restricted by quality requirements is rather frightening. One can but wait and see.

Meanwhile, the important thing is the rigid enforcement of the regulations we have now. According to the Department of Prices and Consumer Protection, they are "working very satisfactorily" with occasional problems arising with imported toys. Mr. James Tye of the British Safety Council, however, sees things somewhat differently.

"With toys, safety is still a problem, though it is improving year by year," he says. "Hong Kong, Red China and others are sending dangerous stuff in for sale on street markets. The importers ought to know better. Year by year we lobby the manufacturers and importers; they go through charades of one sort or another, but it doesn't percolate down to the people who do the buying."

Mr. Tye has harsh words for local authorities, too: they are reluctant to take retailers to court, he claims, while trading standards officers (formerly weights and measures inspectors) are not active enough in clamping down on dangerous products.

For parents and fond relatives, the answer seems to be to buy only well-known branded products from the big manufacturers in this country, the U.S. and West Germany or, with unbranded items, to buy only from the most reputable of the major stores. Imports from outside the U.S. and West Germany generally are safe, provided the importer is itself a reputable business and especially if it is using an overseas factory as an alternative source to supplement its U.K.-made products.

David Walker



Jim Henson, creator of the Muppets is choosy about who he will allow to produce Muppet toys. The soft Kermit shown here are made by Fisher-Price.

Superman, Starsky, Batman, Bond (etc.)

THE TOY industry's reliance on character merchandise has increased dramatically in recent years. The external influences have largely centred on the growth of mass media communication, television especially, while within the trade itself the main impetus has stemmed from the relatively healthy condition of most of the major operating companies.

In essence, the mechanics of character merchandising are relatively simple. Manufacturing companies negotiate (where possible) an exclusive contract to mould their production around a mass media character, preferably one that is well known and long lasting. Licences are acquired for a down payment—"up front money"—and thereafter royalties are paid over according to sales levels. The norm here is around 5 per cent of the toy makers' lowest trade prices.

Understandably the business can be as risky as it is often lucrative. Competition for

licences can be keen, and in order to ensure a place at the head of the queue a toy maker may need to commit himself to the dotted line before the potential of the underlying licence can be properly assessed.

Further problems can arise where there is a time lag between acquisition of a character merchandise licence and full production of the toy concerned. Time lags vary but can extend for as much as 12 months. The danger is that in the intervening period a "character" will either wane in popularity or in the worst cases never in fact become popular.

The character merchandise divisions of the major toy and games manufacturing companies are littered with whole catalogues of fallen idols: who these days remembers the once famous Esso (in the tank) tiger? Pop star merchandise is notoriously speculative with "performers," both individuals and groups, coming and going with monotonous regularity. At the same time not all

character merchandise has the truly international appeal of say the Walt Disney creation, Mickey Mouse. Many of the leading toy makers in this country—Dunbe-Combex-Marx, Lesney, Mettoy Airfix—have considerable market shares outside this country. Mettoy has little trouble in selling Batman, James Bond or Starsky and Hutch motor car toys in the U.K. and North America, but difficulties can arise in places like the Far East.

Expanded

Its Burbank range of soft toys is an important character merchandising area for Dunbe-Combex-Marx, which recently expanded its overseas operations through the acquisition of Louis Marx (U.S.A.) for some \$15m. It is generally reckoned that something like 60 per cent of the company's sales now arise outside this country—and within this percentage the links with character merchandise are extensive.

The company's growth in this field has clearly been exceptional in recent years and from the 25 per cent level presently prevailing it expects the proportion of sales associated with character merchandise to move up eventually to a maximum of around 30 per cent. This it feels is an optimum level and one that can be comfortably maintained with the risks and rewards associated with character merchandise evenly balanced.

Another company making efforts to expand its markets in this field is Wiggins Tope (Toys and Crafts), which at the start of 1977 signed up the exclusive use of American strip cartoon character Snoopy. The company is very much a marketing operation and at present character merchandise of one sort or another accounts for between 15 per cent, and 20 per cent, of total turnover.

It is pursuing this line of approach actively; and so is Dunbe-Combex-Marx which hopes to have two further well known "names" on its books in time for the Harrogate and Birmingham toy fairs next January.

Characterisations come and go along with changing times and fashions but the toy industry has a surprisingly high number of what it describes as perennials. The Walt Disney imagination has supplied a great many of them but a number of home-grown characters are also extremely popular.

According to some snap calculations undertaken for this survey by Dunbe-Combex-Marx the Walt Disney characters are far and away the most popular—or at least the most heavily promoted within the toy trade. If the Walt Disney popularity ratings stand at, say, 100 then the next most important group of characters would be the Tom and Jerry series which, say the marketing men at Dunbe-Combex-Marx, would hold a rating of 50.

Round at Walt Disney Productions, the company that handles the Disney empire's character licences in this country, the management are fairly emphatic about what they can to-day offer their customers.

"Walt Disney" Productions prides itself on being able to give licences a continuing programme of merchandise. Every three years the organisation produces a new full length animated cartoon film. The company has a production called the Rescuers earmarked for this coming Christmas season which will introduce two completely new mouse characters as well as an albatross called Orville.

Jeffrey Brown

£100 million-plus* turnover.

£36 million capitalisation.

10-fold increase in pre-tax profits in five years.

70% overseas sales.

Who said toys are only for the little ones?

In the past five years, Dunbe Combex Marx has enjoyed a period of substantial growth. Pre-tax profits have increased tenfold. Last year alone they increased by 68%.

During this time we not only expanded our U.K. operation but all our overseas operations too, in Australia, Belgium, Canada, France, Germany, Holland, Hong Kong, South Africa and the United States of America, which, together with direct exports, account for 70% of our turnover.

It has made us the largest toy Group in Europe and already amongst the first ten in the lucrative U.S. market.

Our policy is one of producing a wide range of goods in both cost and age terms. We offer

pocket-money toys, fashion toys, and all sorts right up to the more expensive hobby toys.

Our range of products offers something for everyone. From babes-in-arms to grandfathers. A very significant market.

We make over 2,000 individual toys under the banner of world-famous names such as Hornby Railways, Scalextric, Playpeople, Pedigree Dolls, Playtime, Schuco, Marx Toys, Sindy, Simplex Puzzles, First Love, Yoyo, etc.

To keep earnings and profits on an upward trend we are investing heavily in improving existing and developing new products. £750,000 has been allocated for Hornby alone this year.

We are also constantly winning new contracts in all world markets. Recently, for instance, we negotiated a 10-year exclusive contract with the U.S.S.R. to provide moulds and equipment to them. The first toy and indeed the first consumer manufacturer ever to make such a breakthrough.

Our success has been due not only to excellent management and shrewd marketing but also to a very healthy cash flow and banking facilities, which allows us to take full advantage of opportunities which occur from time to time.

All of which may lead you to conclude that D.C.M. is a very sound investment indeed. And you'd be right, as the figures confirm.



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*1977 Expected.

On this page Greville Bogard, Editor of Toy Trader magazine (the journal of the National Association of Toy Retailers), looks at some of the main market sectors for toys.

Crafts & hobbies

ALTHOUGH FREQUENTLY linked, the craft and hobby sectors of the toy industry need to be examined separately.

With crafts, the demand is for do-it-yourself items which through woodburning, modeling, staining, threading, etc., will enable the enthusiast to create his or her own individual "works of art" which could adorn the mantelpiece or even offer some practical use. Examples here are products like the Mosaikit where, as a substitute for pieces of glass and cement, the maker provides self-adhesive coloured vinyl pieces already pre-cut, plus instructions on where to lay them in order to build up a picture. There are, of course, far more intricate items, though these are usually offered by some of the older-established names, such as Reeves, George Rowney or Windsor and Newton.

An interesting development of late, however, is the diversification into crafts of companies hitherto known for something else entirely. One such firm is dye manufacturer Dylan International, which exports 85 per cent of its production. Now Dylan has launched its new Color-Fun Junior Kits, which permit the proud owner to iron on a design of his choice on to almost any fabric (T-shirt, etc.) and then proceed to colour it with non-toxic washproof paints supplied.

Yet another comparative newcomer is Letraset, the instant lettering company which supplies commercial art studios. The company is heavily committed to the toy/craft trade with its large range of rub-down transfers featuring a variety of popular children's characters.

Even more "striking" is the emergence of Bryant and May, the match manufacturer. The first big national advertising campaign for its product Woodcraft (a series of building kits in OO scale) breaks this month. Turning now to hobbies: they really embrace slot-racing, polystyrene and metal kits, model railways and also precision electronics kits.

By the summer of 1976, virtually all the key manufacturers had a finger in the model railway pie as demand for this product dictated. Consequently, they frequently urged retailers to stick to their one particular brand rather than carry small, insignificant selections from them all.

"Specialist retailers will do well to concentrate on comprehensive railways systems offering a full range of accessories for only in this way will they maximise their potential for future sales," Karl Mueller, managing director of Hornby Hobbies said last year.

And it was this very point about accessories that was stressed time and time again in answer to criticisms by small toy shops that too many stores

were getting in on the act. The multiples may sell the train sets in the first place, agreed the manufacturers/importers, but, they argued, it was only the specialist retailer who was in a position to service and expand on the original purchase.

Customers soon had to decide what gauge, what livery as well as what brand to buy. And the brands went on and on: Airfix, Fleischmann, Hornby, Jouef, Mainline, Marklin, Peeco and Rivarossi—to name most of them.

With regard to electronic kits, though usually very technical they do result in something tangible—be it a germanium radio, morse code set, oscillator or amplifier.

Dolls

ALTHOUGH THE demand for traditional walking-talking/rag dolls continues, especially for the very young, the real growth area in this category in recent years has been through the increasing sophistication of the products, evolving into 12 inch poseable figures which appeal to teenagers too.

It is now more than ten years since Palitoy's Action Man made its debut—a turning point if ever there was one. For not only was it heralded as a breakthrough in design, but Action Man also made it acceptable for boys as well as girls to play with "dolls." Indeed, such is the popularity of Action Man that in September Transworld Publishers launched four Corgi Carousel paperbacks based on the character.

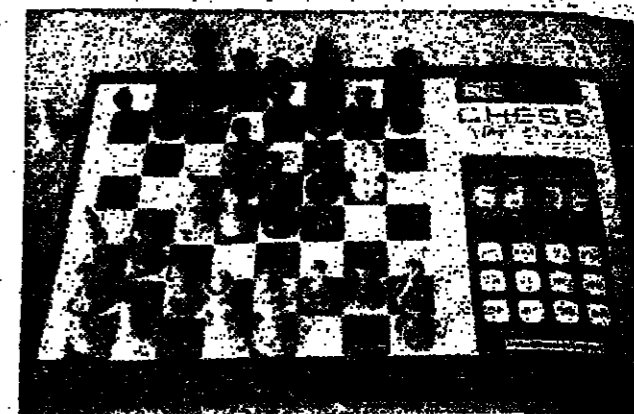
Most of the large British manufacturers offer 12-inch poseable action-figures, many of which are made under licence. In fact, increasingly it is Hollywood to which they turn for inspiration. Hence the introduction of products based on Starsky and Hutch, Donny and

Marie Osmond, Six Million Dollar Man, Planet Of The Apes, etc. Airfix, as a matter of interest, on learning that the star of the TV series Charlie's Angels was about to quit the show (taking with her a vast fan following), wisely chose to offer a Farrah Fawcett-Majors doll. Meanwhile, Denys Fisher has the rights to Bionic Woman, which features a Bionic ear that pings when her head is turned from side to side. Other candidates for action dolls include the comic book heroes like Superman, Batman and the Incredible Hulk.

Finally, before parting with their £3 or so for the dolls of their dreams, to-day's children want them in the type of clothes that they themselves would want to wear. No more ill-fitting trouser-suits in garish colours, haute-couture is the key. And to prove it, one company (Flair Toys of Northampton) even have Mary Quant designing the wardrobe for their Daisy Doll—right down to the prints on the fabrics.

Board games

THE BOARD games sector of the toy industry has been going through its own small recession. As predicted recently by John Watson, Marketing Director of Waddington's (makers of Monopoly) the games market has reached saturation point. He estimated that there were no less than 470 games available in 1976, rising to 500 this year (1977) with about 100 of these newly launched. He reckoned that 42 per cent of all the homes in Britain owned a Monopoly set and that combined, the domestic toys and games industry is worth around £230m. a year.



For the chess player who wants to improve his play the DE Chess Challenger, which allows the player to pit his skill against a computer (and occasionally Cost £150-300.

The trouble appears to be that there have been too many one-off manufacturers—those who could offer only a single product and even then not be certain that they could deliver. Many of these lines were poorly researched, arriving in the shops with pieces missing and featuring highly complicated instructions. On top of all this, the illustration on the box often bore no resemblance to the contents. The expression "We'll Sell You The Box, And Give You The Contents For Free" was never more apt.

The consumer, therefore, bamboozled with the ultra-sophisticated packaging of numerous new games which were not what they at first appeared to be, frequently decided against buying any one of them—choosing something else entirely.

There were and still are, of course, exceptions. The quality of games like Monopoly and Scrabble, among others, is still first rate. If a customer picks a game from any of the respected names (Waddington's, Spears, Milton Bradley, Ideal, name but four) they are unlikely to be disappointed.

And while some games launched on the market have not been warmly greeted, there are still cases where a newcomer has gone from strength to strength. Take Master Mind (Invicta Plastics) as an example. Millions have been sold of this simple plastic peg game, which is based on a process of elimination. In fact, it is so successful that every Saturday night, the independent broadcasting station, BRMB, in Birmingham puts out a radio version for listeners on its late show.

The interest in games has resulted in the birth of specialist

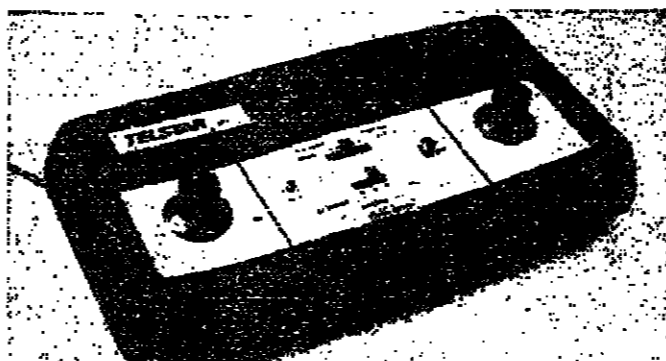
games shops, which continue to spring up, notably in the Greater London area. Places like the Games Centre in Hanway Street or the Games Workshop in Uxbridge Road are staffed by experts who will actually demonstrate a game upon request, with no obligation to buy. Incidentally, Peter Darvill-Evans, who runs the Games Centre shops, told me that his customers vary considerably. His favourite story took place at his Kingston branch where a diminutive Rasputin-like figure inquired: "Do you have any games which involve mazes?" Eagerly Darvill-Evans began to explain the mechanisms of Lazy

Video games

VIDEO GAMES burst upon the scene early in 1975. Encouraged by the success of audio-visual amusement machines installed at pubs and clubs, the first home models retailed at around £50. But, as with most marvels of engineering, if you waited long enough the price came tumbling down. Nowadays, it is not uncommon to pay only £19.

However, the bulk of these products are sold through departmental stores. Small retailers were approached at the beginning, but their reaction to the steep asking price was somewhat diffident. To-day's home video games have become progressively more reliable and several simple to operate, and several innovations, such as a target firing ride range attachment, have been introduced.

Palitoy, maker of Action Man, is soon to offer its own TV video game, 'Telstar'—aimed presumably at the toy shops who turned down the idea a few years ago. In any case, dealing with an established account. Tennis, football, ball and squash can all be played using a console which plugs into the TV socket. A completely different electronic game featuring light emitting diodes (LED) solid-state technology is Godel (Dacoll Games, West Lothian) where players must negotiate hazards on an electronic board as well as defeat their opponents. Whether or not ultimate electronic games will supersede the traditional dice counters variety is hard to say, though, that, since children are turning more and more to passive entertainment for active interest (which requires skill and a degree of concentration) is certainly welcome.



ABOVE: Palitoy's new Telstar TV game allows the player to choose between tennis, football, handball or squash.



LEFT: The latest fashion doll from Airfix is based on Farrah Fawcett-Majors (late of TV's Charlie's Angels). It costs £5.49.

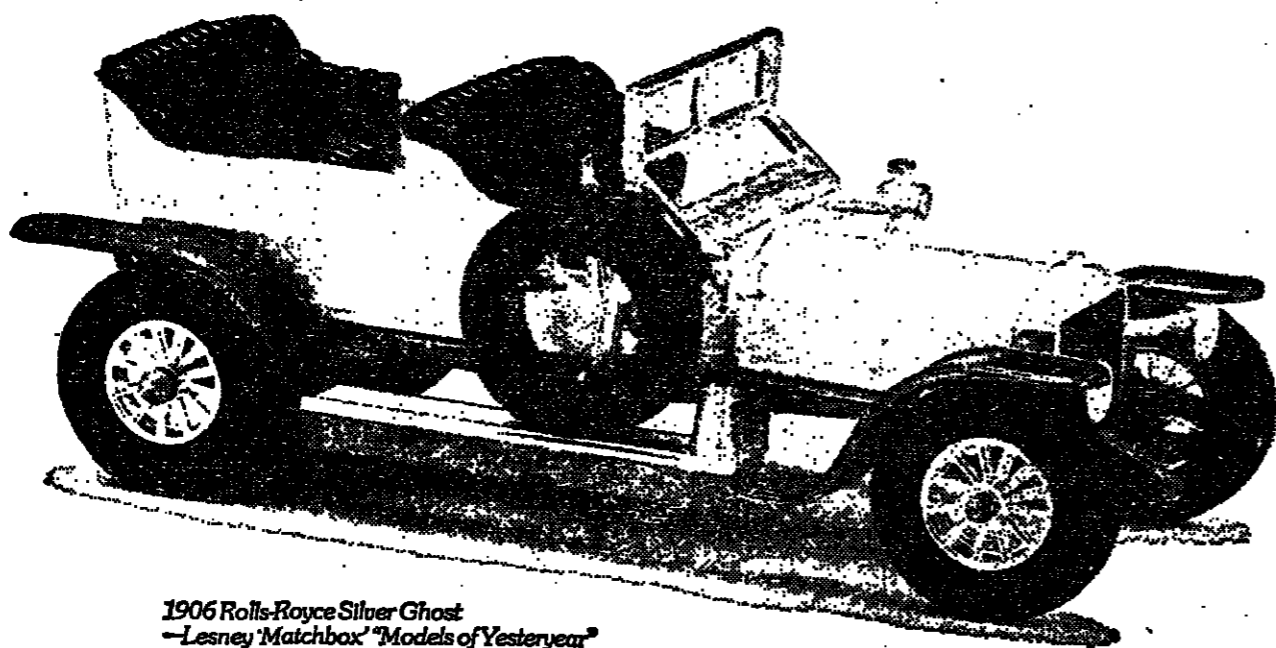


BELOW: A ship in the bottle kit made by Milton Bradley.

BOTTOM: A game of Master Mind (Invicta Plastics) whiles away the time for would-be travellers during a recent dispute at Heathrow.



Built to Last



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- Generating a return of 28 per cent on net assets of £27 million
- This year £5 million will go into developing new products
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- Half of Lesney's sales comes from the original 'Matchbox' 75 miniatures
- The rest is spread among 40 product lines and 400 different items—from plastic construction kits to dolls
- In the UK Lesney has 16 modern plants employing over 6000 people
- In the USA there is another 200,000 sq. ft. of manufacturing and warehousing
- And there are more Lesney International companies in Australia, Canada, Belgium, France, Germany, Norway, Sweden, Hong Kong and Japan
- £46 million of last year's sales was to customers overseas
- And Lesney is the only British toy company to receive the Queen's Award for Export Achievement—five times



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London E9 5PA

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Table of Offshore and Overseas Funds listing international investment vehicles like Arbutnot Securities, Fidelity Mgmt., Kemp-Gee Management, and others.

CLIVE INVESTMENTS LIMITED: Royal Exchange Ave., London EC3V 3LU. Tel. 01-233 1101. Clive Fixed Interest Capital 125.80. Clive Fixed Interest Income 125.80.

CORAL INDEX: Close 514.519. Table showing various market indices and their values.

INSURANCE BASE RATES: Table showing rates for Property Growth (7%), Cannon Assurance (3%), and other insurance products.

BASE LENDING RATES: Table listing various banks and their lending rates, including 3.N. Bank, Irish Express, and others.

VEST IN 50,000 BETTER TOMORROWS!! People in the United Kingdom suffer from progressively living MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF & HOPE.

INSURANCE, PROPERTY, BONDS

Large table of Insurance, Property, and Bonds listing various companies like Abbey Life, Cornhill Insurance, and others with their product offerings and rates.

NOTES: Prices do not include 5 premium, except where indicated. 'Value' is shown in brackets where applicable.

BE The British Engineers RIVETING SYSTEMS & PARTS FEEDING AND ASSEMBLY SYSTEMS... INCREASED PRODUCTIVITY... The Guide to the BE Group

FT SHARE INFORMATION SERVICE

HOTELS-Continued Table with columns for Hotel Name, Stock Price, and other financial data.

**BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years' categories.

Over Fifteen Years

Table of funds categorized as 'Over Fifteen Years'.

Undated

Table of undated funds.

INTERNATIONAL BANK

Table of international bank funds.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loans.

LOANS (Miscel.)

Table of miscellaneous loans.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS-Continued

Table of American stocks (continued).

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit companies.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV companies.

AMERICANS

Table of American stocks.

BUILDING INDUSTRY-Cont.

Table of building industry stocks (continued).

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

CHEMICALS, PLASTICS

Table of chemical and plastic companies.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV companies.

AMERICANS

Table of American stocks.

DRAPERY AND STORES-Cont.

Table of drapery and stores stocks (continued).

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

ELECTRICAL AND RADIO

Table of electrical and radio companies.

ENGINEERING MACHINE TOOLS

Table of engineering machine tools companies.

DRAPERY AND STORES

Table of drapery and stores stocks.

ENGINEERING-Continued

Table of engineering stocks (continued).

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

ENGINEERING

Table of engineering companies.

ENGINEERING MACHINE TOOLS

Table of engineering machine tools companies.

AMERICANS

Table of American stocks.

INDUSTRIALS (Miscel.)

Large table of industrial stocks (miscellaneous).

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INDUSTRIALS—Continued

Table of industrial stocks including companies like ICI, British Petroleum, and various engineering firms, with columns for stock price, dividends, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as Sun Alliance, Commercial Union, and others, listing their stock prices and financial data.

PROPERTY—Continued

Table of property-related stocks and investment trusts, including companies like British Land and various real estate investment trusts.

INV. TRUSTS—Continued

Table of investment trusts such as British Venture, British Venture Overseas, and others, detailing their stock prices and performance.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and land investment trusts.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies, including Rover, Leyland, and various aircraft manufacturers.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies, including Harland & Wolff, Swan Hunter, and others.

SHOES AND LEATHER

Table of shoe and leather goods companies, including Clarks, J. & S. L., and others.

SOUTH AFRICANS

Table of South African stocks, including Anglo American, De Beers, and others.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies, including News International, Newsprint, and others.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising companies, including Newsprint, News International, and others.

PROPERTY

Table of property-related stocks and investment trusts, including British Land and various real estate investment trusts.

INSURANCE

Table of insurance companies such as Sun Alliance, Commercial Union, and others, listing their stock prices and financial data.

TEXTILES

Table of textile companies, including Allied Mills, British Textiles, and others.

TOBACCOS

Table of tobacco companies, including British American Tobacco and others.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks, including investment trusts and financial institutions.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and land investment trusts.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, insurance companies, and land investment trusts.

DAIWA SECURITIES advertisement with logo and contact information.

MINES—Continued

Table of mining stocks, including Anglo American, De Beers, and others.

AUSTRALIAN

Table of Australian stocks, including various mining and industrial companies.

TINS

Table of tin stocks, including various mining companies.

OVERSEAS TRADERS

Table of overseas trading companies, including various international firms.

COPPER

Table of copper stocks, including various mining companies.

MISCELLANEOUS

Table of miscellaneous stocks, including various companies from different sectors.

NOTES

Notes section providing additional information and commentary on the market.

TEAS

Table of tea stocks, including various tea companies.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stocks, including various companies from these regions.

SRI LANKA

Table of Sri Lankan stocks, including various companies.

AFRICA

Table of African stocks, including various companies.

MINES CENTRAL RAND

Table of central Rand mining stocks, including various mining companies.

EASTERN RAND

Table of eastern Rand mining stocks, including various mining companies.

FAR WEST RAND

Table of far West Rand mining stocks, including various mining companies.

O.F.S.

Table of O.F.S. stocks, including various companies.

FINANCE

Table of finance stocks, including various financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, including various mining companies.

OPTIONS 3-month Call Rates

Table of 3-month call option rates, including various financial data.

Additional notes and information at the bottom of the page.

Relative Strength... Write or telephone for a free sample...

Kaunda offers more talks with Smith

BY OUR FOREIGN STAFF

PRESIDENT KAUNDA of Zambia told diplomats yesterday that he was prepared to hold further talks with Mr. Ian Smith...

Dr. Kaunda spoke of his army retained, again countering the provisions of the Western package...

British Oxygen return-to-work hangs in balance

BY NICK GARNETT AND LYNTON McLEAN

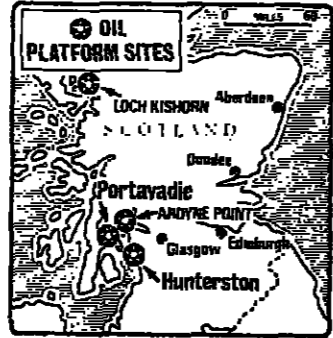
THERE were indications yesterday that British Oxygen may not succeed with its latest assurances in ending the unofficial strike by 3,000 manual workers in the gases division...

unofficial strike centred on a pay demand which the company had gone no further toward meeting...

Government may close two oil platform yards

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT is expected to close two oil platform construction sites next year and write off its losses of more than £20m.



Oil platform sites in the North Sea. The map shows the locations of Portavadie and Hunterston.

regarding Portavadie and Hunterston in the light of a recent critical report from the Public Accounts Committee...

U.K. wins EEC row over JET site

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

MR. ANTHONY WEDGWOOD BENN, the Secretary for Energy, today hailed as "a tremendous decision for Britain" the vote by EEC research Ministers...

The choice before Ministers today was between Culham and Garching, near Munich, strongly promoted by the West German Government...

Arab Minister gunned down in Abu Dhabi airport attack

BY OUR FOREIGN STAFF

MR. SEIF BIN GHOBASH, Deputy Foreign Minister of the Palestinian with an Iraqi passport, was shot in an airport attack in Abu Dhabi yesterday...

On returning to Damascus after cutting short a tour of the Gulf States to explain Syria's opposition to the joint U.S.-Israeli working paper on the Middle East...

The killer then herded seven hostages, all airport employees, into a nearby aircraft. After 90 minutes of negotiations, he surrendered, and later he was taken to a hospital...

Barclays sells Brussels tower for half cost

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

BARCLAYS BANK yesterday sold the financially disastrous Tour Astro office tower in Brussels for less than half its 250m. cost in the biggest property sale in the Belgian capital's office market...

that the Belgian organisation paid marginally more than that, about BFRs.1,000m. (£16.12m.). The sale brings to a close an 18-month saga...

Weather

Table with weather forecasts for U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS.

Continued from Page 1 Unemployed

In the last month the number of school-leavers out of work has fallen by nearly 77,000 to just under 99,000, accounting for almost all of a 91,000 drop to 1,321m. in the unadjusted U.K. unemployment total...

Officials pointed out yesterday that of the 683,000 pupils in Britain who finished school during the last academic year, some 86 per cent. have found places in work, training or further education...

THE LEX COLUMN

Bolstering ATV's balance sheet

The stock market had a pretty quiet day ahead of this afternoon's package from the Chancellor. But elsewhere the pressure on sterling remained firmly upwards despite a better showing by the dollar against most currencies...

Index fell 2.4 to 514.7 borrowings into the balance sheet. The market seemed to accept the rights issue happily enough, even though it follows closely on the placing of the 21 per cent. Reed stake in August...

ATV It is a long way from a licence to print money to a £9.4m. rights issue, but that is the step that Associated Television took yesterday through a one-for-four offer of "A" shares at 90p...

Insurance brokers The messy affair of Sime Darby's insurance broking subsidiary, the Robert Bradford Group, gets strictly superficial treatment in the parent company accounts...

Paterson Zochonis The Nigerianisation of Paterson Zochonis' Nigerian subsidiary comes after the group's financial end, but PZ's preliminary figures quantify the impact...

Reduced rate Gas shortages have forced some companies to cut production of essential engineering materials and welded components...

Reduced rate (continued) Some operations have completely stopped, largely as a result of the shortage of argon. Other industries still affected include glass, with the Sunderland works of Corning badly hit...

Reduced rate (continued) Shop stewards said the company's new assurances were "important," but that the

DECCA logo and slogan: "The figures demonstrate the strength of Decca... I see a great future."

SUMMARY OF RESULTS table showing financial data for 1977 and 1976, including Group turnover, Exports, Profit before tax, etc.

At the Annual General Meeting yesterday Sir Edward Lewis spoke of Decca's increased profits and exports and of the increasing importance of the Company's capital goods which contributed £15.9 million to pre-interest profits, an increase of 52%.

Copies of the Chairman's full speech can be obtained from the Secretary, 9 Albert Embankment, SE1 7SW.

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